

SECTION II.D.—DOUGLAS COUNTY

Demographic and Economic Profile

This section provides a demographic and economic overview of Douglas County. Information is presented on historical and current population, as well as the overall composition of households residing in the County, as described by household size, composition, race and ethnicity, income distribution, length of residency, and educational attainment. Additional information is presented on Douglas County's target groups, which include low income and impoverished households, the elderly, and the homeless. This chapter also provides a synopsis on the County's overall economy and concludes with population and employment forecasts to set the context for determining future housing needs.

Reviewing a county's demographics and economic base as part of a housing study is important because:

- Demographics can influence housing choices and needs. Single people are more likely to reside in urban cores. Families are more likely to reside in surrounding suburbs.
- As households age, their likelihood of becoming disabled increases. Seniors, particularly those over the age of 75 years, may need accessibility improvements to their homes. They might also seek out more dense living arrangements (e.g., condos or patio homes) or assisted living facilities.
- Income levels determine what households can afford to pay in rent or mortgage costs, and, in many cases, geographically where households can live.
- The types of jobs available in communities and their wage rates, relative to housing costs, determine if residents can live and work in the same community.

In addition, the data and information contained in this report is a required component of the Colorado Division of Housing's (DOH) template for housing needs assessments and for the U.S. Department of Housing and Urban Development's (HUD) Consolidated Plan regulations. Douglas County received funding from DOH to conduct this housing needs assessment. The County also receives annual funding from HUD for housing and community development activities.

Summary

Douglas County has grown from a relatively small presence in the Denver metro area in 1980 to a major provider of housing and a growing contributor in regional employment. The County's strongest growth in numbers and rate took place between 1990 and 2000. Growth during the current decade has also been strong, but less than half the rate as in 1990 to 2000.

A substantial portion of the growth in the current decade was absorbed by unincorporated Douglas County and Castle Rock, which added over 75,000 residents among the two areas. Overall, Castle Rock contains 16 percent of all residents in Douglas County. The unincorporated portion of the County houses the majority—65 percent of residents—which also includes the Highlands Ranch community.

Douglas County boasts a growing population of family households, who, based on their past movements within the County, may be likely to remain in Douglas County. Families are attracted to the County because of the reputation of schools, relatively new housing stock, and excellent amenities, such as recreation centers, and proximity to open space.

The Denver Regional Council of Governments (DRCOG) predicts that the fastest growing areas in the County will be around Parker, Castle Rock, and parts of Highlands Ranch. Employment growth is expected to be more concentrated than population growth, congregating around major transportation arteries like I-25 and E-470.

Douglas County will be a more important presence in employment in the seven-county regional, as it is expected to absorb 13 percent of employment growth between now and 2035. Today, Douglas is home to seven percent of the region's employment.

Historical Growth in Douglas County

Douglas County is currently Colorado's 8th most populace County, with a July 2007 population estimate of 275,121 residents. The counties in Colorado with the largest populations are Denver (596,582), El Paso (587,590), Arapahoe (551,733) and Jefferson (538,323) Counties.^{1 2} Douglas County estimates its population to be 286,622 as of January 1, 2008.

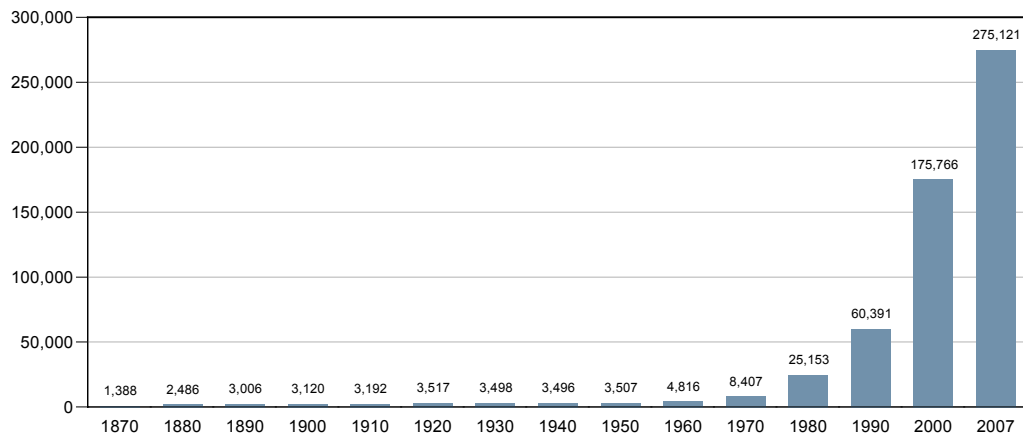
Douglas County was created in 1861, and originally stretched from the Rockies to the State of Kansas border. There are five incorporated municipalities within the boundaries of Douglas County: Castle Pines North, Castle Rock, Larkspur, Lone Tree, and Parker. Exhibits II.D-1 and II.D-2 display Douglas County's growth trends since 1870, following its inception in 1861.

The County was a relatively quiet place until the 1970s, when its rapid growth began. The County saw its population almost triple in the 1970s and strong growth continued into the 1980s and 1990s. The largest population increase Douglas County experienced was in the 1990s, when the County added over 115,000 new residents. In the current decade, the growth rate is less than half of that experienced between 1990 and 2000, but still the strongest in the Denver metro area. Even if the strong growth experienced between 2000 and 2007 continues until the end of this decade, it will still be slower than the growth that took place in Douglas County in the 1990s.

¹ Population estimates are for 2007, from the Colorado State Demography Office.

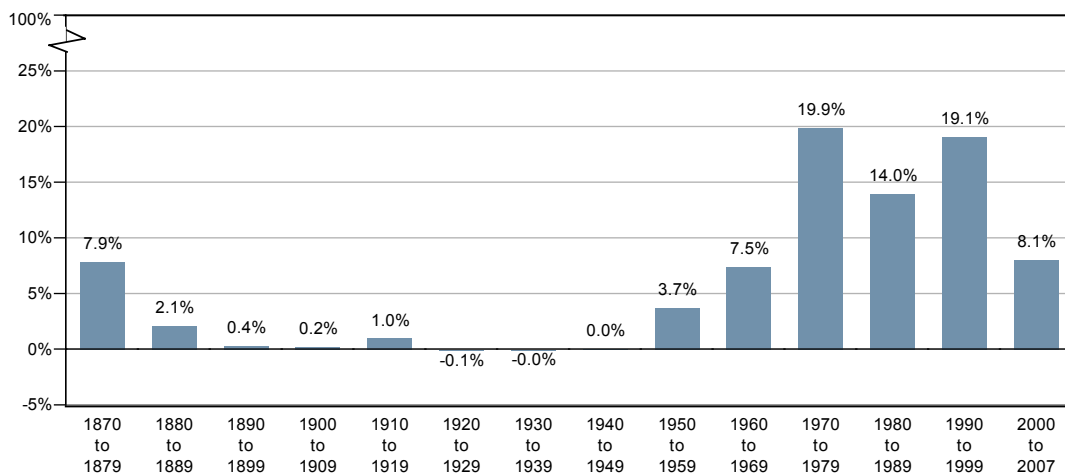
² U.S. Census Bureau's July 1, 2007 Douglas County population was estimated at 272,117, which was slightly lower than DOLA's July 1, 2007 estimate.

Exhibit II.D-1.
Historical Population Growth, Douglas County, 1870 to 2007



Source: Colorado Department of Local Affairs.

Exhibit II.D-2
Average Annual Growth, Douglas County, 1870 to 2007



Source: Colorado Department of Local Affairs.

There are two reasons counties gain or lose population:

1. New residents are born and current residents pass away. The net effect is called “net increase.” Usually, births exceed deaths, but not always. In Douglas County, births have historically exceeded deaths, most recently by a record 3,500 people.
2. New residents move into an area and existing residents move out. The net effect is called “net migration.” When net migration is negative, this means more residents left Douglas County than moved in. When net migration is positive, more moved in than left.

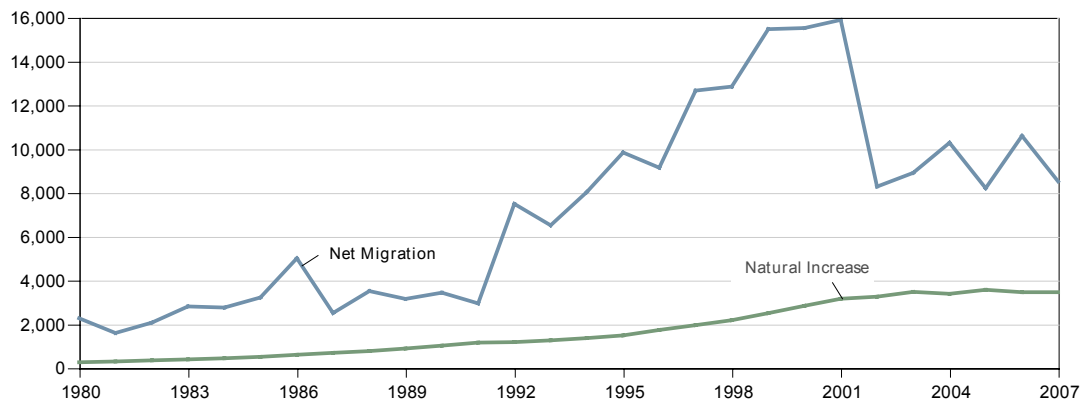
During the 1990s, migration was the primary driver of the County’s population growth and this continues to be true during the 2000s. In the last five years, Douglas County has added an annual average of 3,500 residents through natural increase and over 9,300 through net migration, for an overall average of slightly over 12,750 residents. Exhibits II.D-3 and II.D-4 display the components of population change in the County since 1980.

**Exhibit II.D-3.
Components of
Population Change,
Douglas County,
1980 to 2007**

Source:
Colorado Department of Local Affairs

Year	Births	Deaths	Natural Increase	Net Migration	Total Change
1980	355	93	262	2,264	2,526
1981	381	88	293	1,595	1,888
1982	440	95	345	2,067	2,412
1983	510	119	391	2,806	3,197
1984	574	130	444	2,759	3,203
1985	635	128	507	3,214	3,721
1986	726	126	600	5,006	5,606
1987	813	128	685	2,505	3,190
1988	922	152	770	3,513	4,283
1989	1,060	167	893	3,144	4,037
1990	1,169	153	1,016	3,434	4,450
1991	1,311	159	1,152	2,951	4,103
1992	1,369	190	1,179	7,494	8,673
1993	1,483	222	1,261	6,510	7,771
1994	1,617	262	1,355	8,039	9,394
1995	1,719	239	1,480	9,833	11,313
1996	1,981	251	1,730	9,144	10,874
1997	2,281	329	1,952	12,666	14,618
1998	2,525	350	2,175	12,848	15,023
1999	2,897	399	2,498	15,471	17,969
2000	3,281	438	2,843	15,524	18,367
2001	3,648	490	3,158	15,891	19,049
2002	3,765	505	3,260	8,277	11,537
2003	3,999	534	3,465	8,904	12,369
2004	3,967	585	3,382	10,290	13,672
2005	4,159	589	3,570	8,207	11,777
2006	4,112	654	3,458	10,599	14,057
2007	4,201	744	3,457	8,513	11,970

**Exhibit II.D-4.
Components of Population Change, Douglas County, 1980 to 2007**



Source: Colorado Department of Local Affairs.

Growth by city. The individual communities have contributed in different magnitudes to the growth experienced in Douglas County. The largest contributors to the County's overall growth since 2000 were the unincorporated portion of the County, which added 51,611 new residents; Castle Rock, which added 23,675 new residents; and Parker, which added 19,400. Lone Tree's growth accounted for an additional 4,620 new residents and Larkspur added 35 new residents.

Overall, unincorporated portions of the County and Larkspur experienced slower annual growth than the County as a whole. Castle Rock (16.7 percent), Lone Tree (13.5 percent) and Parker (11.8 percent) have all experienced higher annual growth than Douglas County as a whole (8.1 percent) since 2000.

Exhibit II.D-5 displays municipal population data from the Colorado Department of Local Affairs (DOLA), by total municipality population and by the portion of the municipality's population within Douglas County, as the borders of Littleton extend beyond Douglas County.

**Exhibit II.D-5.
Population Growth by Municipality, Douglas County, 2000 to 2007**

	Total Municipal Population				Municipal Population within Douglas County			
	2000	2007	Growth	Average Annual Percent Change	2000	2007	Growth	Average Annual Percent Change
Castle Rock	20,224	43,899	23,675	16.7%	20,224	43,899	23,675	16.7%
Larkspur	234	269	35	2.1%	234	269	35	2.1%
Littleton	40,340	40,477	137	0.0%	63	64	1	0.2%
Lone Tree	4,873	9,493	4,620	13.5%	4,873	9,493	4,620	13.5%
Parker	23,558	42,971	19,413	11.8%	23,558	42,971	19,413	11.8%
Unincorp. Area	126,814	178,425	51,611	5.8%	126,814	178,425	51,611	5.8%

Note: Highlands Ranch is an unincorporated community. As such, it is officially titled "unincorporated Douglas County." The 2006 American Community Survey reported a population of 92,924 for Highlands Ranch.

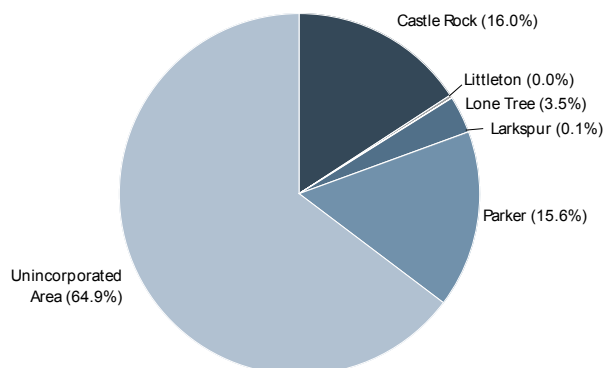
Source: Colorado Department of Local Affairs.

Exhibit II.D-6 shows the overall share of Douglas County's population among the municipalities. Although the unincorporated area's recent growth has been modest relative to Castle Rock, Lone Tree and Parker, the unincorporated area contains most of the County's population overall.

**Exhibit II.D-6.
Population by Municipality,
Douglas County, 2007**

Note: Highlands Ranch is an unincorporated community. As such, it is officially titled "unincorporated Douglas County." The 2006 American Community Survey reported a population of 92,924 for Highlands Ranch.

Source: Colorado Department of Local Affairs.



Who Lives in Douglas County?

This portion of the study helps define the composition of the population that resides in Douglas County. DOLA and DRCOG forecasts predict that Douglas County will continue to absorb much of the region's future growth. As a result, an understanding of the characteristics of both existing and new residents is crucial to determine the types of residents that have been and may be attracted to Douglas County.

Number of households. DOLA estimated that 92,325 households resided in Douglas County in 2006. The American Community Survey (ACS) estimated a slightly lower number (92,065) for 2006 and DRCOG estimated a higher number of households (96,906) for January 2007.³

Movement within the County. Exhibit II.D-7 shows where Douglas County residents resided in 1995, compared to 2000, and in 2005, compared to where they lived in 2006. Between 1995 and 2000, most households moved to Douglas County from another Colorado County or from out of State. Between 2005 and 2006, most Douglas County Residents stayed put.

Exhibit II.D-7. Douglas County Residency in 1995 to 2000 and 2005 to 2006

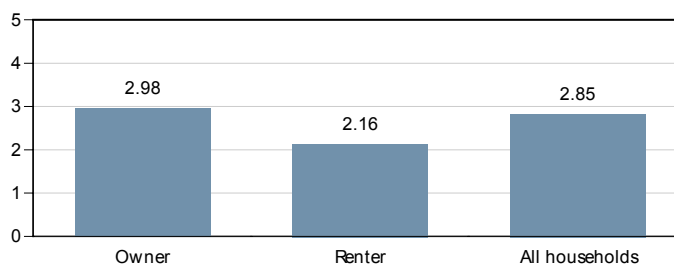
Source:
U.S. Census Bureau's 2000 Census and
2006 American Community Survey.

Moved from:	1995 to 2000		2005 to 2006	
	Number	Percent	Number	Percent
Same house	54,531	34%	208,077	80%
Different house in Douglas County	18,560	12%	17,900	7%
Different county in Colorado	42,848	27%	18,479	7%
Different state	38,984	25%	14,262	5%
Abroad	3,850	2%	1,111	0%
Total	158,773	100%	259,829	100%

Average household size. According to the 2006 ACS, an average of 2.85 people lived in each housing unit in Douglas County. Households that owned their Douglas County residence had a household size of 2.98; renters had a smaller household size of 2.16, as shown in Exhibit II.D-8. The relatively noticeable difference in household size between owners and renters suggests that many renters may live alone or as couples/roommates, without children.

Exhibit II.D-8. Average Household Size by Tenure, Douglas County, 2006

Source:
U.S. Census Bureau's 2006 American
Community Survey.



Household composition. According to the Census, 45 percent of Douglas County households had children in 2006. Most children lived with two parents who were married. Six percent of Douglas County households were made up of single-parent households with children. This is a lower percentage when compared to the entire State. Ten percent of Colorado households contained single-parents with children in 2006.

³ Vastly differing methodologies of each data producing entity have led to differing household estimates. As the estimates move further away from the 2000 Census, they become even more different.

As shown in Exhibit II.D-9, the slight majority of households in Douglas County did not have children (55 percent). Most of these households were married couples.

Age. Like many other communities across the United States, Douglas County will be faced with an aging Baby Boomer population. But the effect of aging Baby Boomers on Douglas County will be

**Exhibit II.D-9.
Household Type, Douglas County, 2006**

Note:
Households with children includes one or more persons under 18 years.

Source:
U.S. Census Bureau's 2006 American Community Survey.

Household Type	Number	Percent
Households with children	41,763	45%
Married-couple family	36,128	39%
Female-headed households	3,740	4%
Male-headed households	1,895	2%
Households without Children	50,302	55%
Married-couple family	29,123	32%
Female-headed households	11,484	12%
Male-headed households	9,695	11%
Total Households	92,065	100%

smaller than in other counties, since Douglas' senior population is relatively small.

As shown in Exhibit II.D-10 on the following page, the County's youth, young adults and middle age adults all currently outnumber the County's senior population: For example, there are 85,909 children in the County in 2007 (making up 31 percent of people in the County), compared with 37,517 seniors (five percent). In the future, the senior population will experience strong growth relative to other age cohorts; however, it will remain a small portion of the County's population overall.

Exhibits II.D-10 and II.D-11 show growth in total population by age groups and by the percentage of population, respectively.

**Exhibit II.D-10.
Age of Residents, Douglas County,
2002, 2007, 2012, and 2020**

Source:
Colorado Department of Local Affairs.

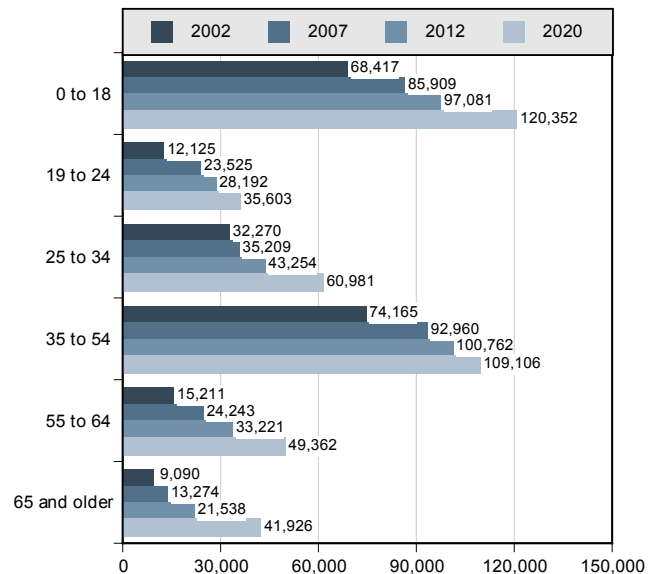
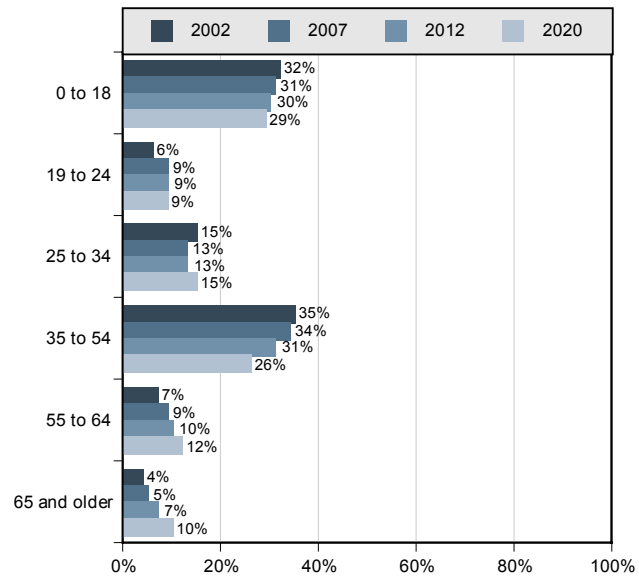


Exhibit II.D-11.
Percentage of Residents in Douglas
County by Age Category, 2002, 2007,
2012, and 2020

Source:
Colorado Department of Local Affairs.



Race and ethnicity. Data on race and ethnicity require a bit of an introduction about how the U.S. Census Bureau collects and analyzes the data. In its surveys, the Census asks two different questions about race and ethnicity: the first question asks respondents to identify their race; the second asks whether or not respondents are of Hispanic/Latino origin. The Census Bureau does not classify Hispanic/Latino as a race, but rather as an identification of origin and ethnicity. If a respondent reported Hispanic/Latino ethnicity but did not mark a specific race category, they are classified in the “Some Other Race” category. Persons of Hispanic/Latino descent most commonly report their race as White or Some Other Race.

Overall, most residents of Douglas County identify themselves as White (91 percent). The second most common race at four percent is Asian. Since 2000, the overall racial composition has changed little, as new residents have primarily been White.

Seven percent of the County’s residents are Hispanic/Latino. Douglas County has experienced substantial growth in Hispanic/Latino residents, even though Hispanics remain a relatively low proportion of all residents. According to the U.S. Census estimates, 9,254 residents that consider themselves of Hispanic or Latino ethnicity moved into Douglas County between 2000 and 2006, doubling the County’s Hispanic population.

Exhibit II.D-12 presents race and ethnicity data for 2006 for Douglas County as a whole.

Exhibit II.D-12.
Race and Ethnicity of
Population, Douglas
County, 2006

Source:
U.S. Census Bureau’s 2006 American
Community Survey.

	Number	Percent
Total Population	263,621	100%
American Indian and Alaska Native Alone	1,223	0%
Asian Alone	9,975	4%
Black or African American Alone	3,367	1%
Native Hawaiian and Other Pacific Islander Alone	0	0%
White Alone	238,675	91%
Some Other Race Alone	5,295	2%
Two or More Races	5,086	2%
Hispanic or Latino	17,692	7%

All jurisdictions in Douglas County have similar distributions of racial minorities. The racial and ethnic distributions of Douglas County and jurisdictions within the County are shown in Exhibit II.D-13.

**Exhibit II.D-13.
Race and Ethnicity, Douglas County and Selected Municipalities, 2007**

	American Indian and Alaska Native	Asian	Black or African American	Native Hawaiian & Other Pacific Islander	White	Some Other Race	Two or More Races	Hispanic or Latino
Arapahoe County	1%	5%	9%	0%	74%	6%	4%	17%
Centennial	0%	5%	3%	0%	87%	2%	3%	7%
Deer Trail	0%	1%	1%	0%	95%	1%	2%	5%
Englewood	2%	2%	2%	0%	84%	7%	3%	19%
Glendale	1%	7%	8%	0%	67%	10%	7%	41%
Greenwood Village	0%	3%	2%	0%	92%	1%	2%	6%
Littleton	1%	2%	2%	0%	89%	4%	3%	13%
Sheridan	3%	2%	2%	0%	70%	17%	6%	44%
Unincorp. Area	1%	7%	7%	0%	78%	4%	4%	11%

Source: Claritas, 2007 estimates.

Income. The U.S. Census estimates and reports both *family* median and *household* median income. Median household income is usually lower than median family income, since household income includes single-person households and unrelated persons living together (e.g., students), where median family income does not. That is, the median family income category has a larger proportion of two-earner households, who usually have higher earnings than one-person households do.

In 2006, the median *family* income for Douglas County was \$100,953. This means that in 2006, exactly half of Douglas County's families earned less than \$100,953 and exactly half earned more. The median *household* income in 2006 was \$92,125. In 2006, half of Douglas County's households earned less than \$92,125; half earned more. Overall, five percent of Douglas County households earn less than \$25,000; 13 percent earn between \$25,000 and \$50,000; and 38 percent of households in Douglas County earn between \$50,000 and \$100,000. Exhibit II.D-14 presents the U.S. Census' 2006 overall household income distribution for Douglas County households.

**Exhibit II.D-14.
Household Income as a
Percent of Total
Households, Douglas
County, 2006**

Source:
U.S. Census Bureau's 2006 American
Community Survey.

	Households	Percent
Less than \$25,000	4,653	5%
\$25,000 to \$49,999	11,901	13%
\$50,000 to \$74,999	16,184	18%
\$75,000 to \$99,999	17,971	20%
\$100,000 to \$149,999	21,977	24%
\$150,000 or more	19,379	21%
Total	92,065	100%

Exhibit II.D-15 presents median *household* income by race and ethnicity for Douglas County. Although the median incomes vary by race and ethnicity, they are all very high overall.

**Exhibit II.D-15.
Median Household Income by Race
and Ethnicity, Douglas County, 2006**

Source:
U.S. Census Bureau's 2006 American Community Survey.

	Median Household Income
American Indian and Alaska Native Alone	\$ 171,111
Asian Alone	\$ 82,487
Black or African American Alone	\$ 107,295
Native Hawaiian and Other Pacific Islander Alone	-
White Alone	\$ 92,127
Some Other Race Alone	\$ 125,854
Two or More Races	\$ 78,937
Hispanic or Latino	\$ 81,796
Not Hispanic or Latino	\$ 93,350

Area Median Income, or AMI, is used by the U.S. Department of Housing and Urban Development's (HUD) state and local policy makers to qualify households for housing programs. AMI is the same for all counties located within the Denver metropolitan statistical area (MSA). The 2008 HUD AMI for the Denver-Aurora MSA is \$71,800 for a family of four.

HUD breaks the AMI into categories and uses these breaks as the basis of its "low" and "moderate" income definitions. Specifically,

- Households earning 30 percent of the AMI and less are "extremely" low income;
- Households earning between 31 and 50 percent of the AMI are "very" low income;
- Households earning 51 to 80 percent of the AMI are "low" income; and
- Households earning 100 percent of the AMI are "moderate" income.

In 2006, just three percent of Douglas County households earned less than \$20,000 per year (approximately 30 percent of the AMI), which defines them as "extremely" low income. Most Douglas County households fall above 100 percent of AMI, which means the household earns above \$71,800 annually. Exhibit II.D-16 shows the income distribution of Douglas County households by AMI range. Exhibit II.D-17 provides the income distribution by tenure (renter/owner). As shown in Exhibit II.D-17, renters have a much lower income profile than owners, with 56 percent earning less than \$57,440 (compared to 17 percent of owners). However, compared to other Denver area counties, Douglas County's renters have high incomes.

**Exhibit II.D-16.
Income Distribution of
Households, Douglas
County,
2006**

Source:
U.S. Department of Housing and
Urban Development, U.S. Census
Bureau's 2006 American Community
Survey and BBC Research &
Consulting.

	Income Limit	Number of Households	Percent of Households
2008 HUD Median Family Income: \$71,800			
0 to 29% MFI	less than \$21,540	3,600	4%
Less than \$10,000		1,056	1%
\$10,000 to \$14,999		1,279	1%
\$15,000 to \$19,999		796	1%
30% to 49% MFI	\$21,540 to \$35,899	5,431	6%
\$20,000 to \$24,999		1,522	2%
\$25,000 to \$29,999		999	1%
\$30,000 to \$34,999		2,899	3%
50% to 79% MFI	\$35,900 to \$57,439	12,339	13%
\$35,000 to \$39,999		2,422	3%
\$40,000 to \$44,999		3,388	4%
\$45,000 to \$49,999		2,193	2%
\$50,000 to \$59,999		5,431	6%
81% to 99% MFI	\$57,440 to \$71,799	9,296	10%
\$60,000 to \$74,999		10,753	12%
100% MFI and over	\$71,800 or more	61,398	67%
\$75,000 to \$99,999		17,971	20%
\$100,000 to \$124,999		14,554	16%
\$125,000 to \$149,999		7,423	8%
\$150,000 to \$199,999		10,552	11%
\$200,000 or more		8,827	10%
Total		92,065	100%

**Exhibit II.D-17.
Household Income Distribution by Tenure, Douglas County, 2006**

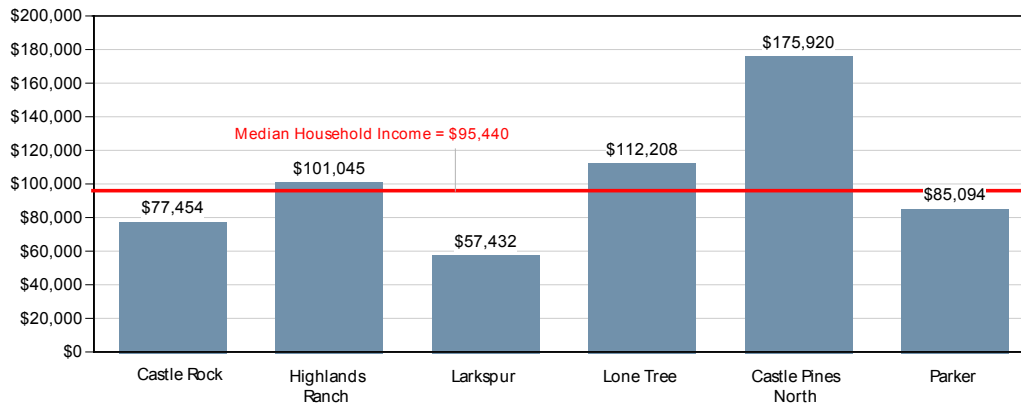
HUD Area Median Income = \$71,800		Owner		Renter		Total	
		Households	Percent	Households	Percent	Households	Percent
0 to 29% AMI	less than \$21,540	1,795	2%	1,804	12%	3,600	4%
30% to 49% AMI	\$21,540 to \$35,899	2,772	4%	2,660	18%	5,431	6%
50% to 79% AMI	\$35,900 to \$57,439	8,540	11%	3,800	25%	12,339	13%
81% to 99% AMI	\$57,440 to \$71,799	7,420	10%	1,876	13%	9,296	10%
100% to 119% AMI	\$71,800 to \$86,159	8,570	11%	1,523	10%	10,094	11%
120% AMI and over	\$86,160 or more	48,061	62%	3,244	22%	51,304	56%
Total		77,159	100%	14,906	100%	92,065	100%

Source: U.S. Census Bureau's 2006 American Community Survey.

Because the 2006 ACS does not provide data for cities under 65,000 residents, the commercial data provider Claritas was used to gain an understanding of the median household income for the municipalities within Douglas County. Data is presented for the entire municipality, as opposed to just the Douglas County portion of each community.

ACS and Claritas utilize different methodologies for calculating income, thereby generating different results. For example, the 2006 Census shows the median household income in Douglas County to be \$92,125; whereas, Claritas reported a household median income in Douglas County of \$95,440. However, on a municipal level, the Claritas data are useful to gauge where Douglas County municipal income levels fall relative to the County overall. Castle Pines North is the highest income city; Larkspur is the lowest.

Exhibit II.D-18.
Median Household Income by Municipality, Douglas County, 2007



Note: The median household income for Castle Pines North was calculated by taking the median of the median household income of the block groups within Castle Pines North.

Source: Claritas, 2007 estimates.

Education. In 2006, 29 percent of Douglas County's residents were enrolled in school. As shown in Exhibit II.D-19, the number of children enrolled in Grades one through 12 is fairly stable, suggesting that once a student enrolls in a Douglas County elementary school, they stay within Douglas County school districts until they have completed high school.

Exhibit II.D-19.
School Enrollment
by Level of School,
Douglas County,
2006

Note:
Total population are persons ages three years and over.

Source:
U.S. Census Bureau's 2006 American Community Survey.

	Population	Percent of Population	Percent of School Enrollment
Nursery school, preschool	7,261	3%	10%
Kindergarten	4,591	2%	6%
Elementary school (grades 1-4)	17,372	7%	24%
Middle School (grades 5-8)	14,813	6%	20%
High school (grades 9-12)	16,486	7%	22%
College or graduate school	13,290	5%	18%
Enrolled in school	73,813	29%	100%
Not enrolled in school	177,900	71%	

Exhibit II.D-20 shows the highest level of educational attainment that Douglas County residents over the age of 25 have reached. Ninety-seven percent of Douglas County residents are high school graduates and 53 percent of residents have obtained a college degree or higher.

Educational attainment is important because it can influence the types of businesses that locate within a County/City. For example, high-tech employers will seek out highly educated communities. Educational attainment can also influence housing choices to the extent that residents want to live near other residents with similar educational levels.

Exhibit II.D-20.
Educational Attainment for the
Population over the age of 25,
Douglas County, 2006

Source:
U.S. Census Bureau's 2006 American Community Survey.

	Population	Percent
No schooling completed	420	0%
Nursery to 8th grade	1,221	1%
9th to 12th grade, no diploma	2,812	2%
High school graduate (includes equivalency)	25,713	15%
Some college, no degree	35,007	21%
Associate's degree	14,543	9%
Bachelor's degree	61,896	37%
Graduate or professional degree	27,336	16%
Population 25 years and over	168,948	100%

Douglas County had the highest percentage of high school graduates and residents who have graduated from college compared with surrounding counties.

Higher educational attainment often translates into higher paying jobs and higher household incomes. In the case of Douglas County, this seems to be true. According to the 2000 Census, Lone Tree (65 percent) and Highlands Ranch (59 percent) both had the highest percent of residents with bachelor's degrees or higher. Larkspur had the lowest percentage of residents with a college degree (eight percent).

Target Populations in Douglas County

This section highlights portions of Douglas County's population that may require special services or additional assistance to basic amenities, such as housing. Highlighted in this section are impoverished and low income households, the elderly, disabled, and homeless individuals.

Living in poverty. The poverty threshold is established at the Federal level and is updated annually. It is adjusted for household size but not by geographic area, except for Alaska and Hawaii.⁴ In 2006, the poverty threshold for a family of four was about \$20,000 in annual wages. Currently, in 2008, the poverty threshold is \$21,200.

In 2006, just two percent of the population in Douglas County, or about 4,867 people, lived below the poverty threshold. Exhibit II.D-21 shows the percentage of Douglas County's population living in poverty by age cohort. Of the persons living below poverty level over one-third were children.

⁴ Therefore, the poverty threshold in Manhattan, New York is the same as in Minot, North Dakota.

**Exhibit II.D-21.
Population Living Below
Poverty Level
by Age, Douglas County,
2006**

Source:

U.S. Census Bureau's 2006 American
Community Survey.

	Population	Percent
Under 5 years	386	8%
5 to 17 years	1,272	26%
18 to 24 years	654	13%
25 to 34 years	848	17%
35 to 44 years	806	17%
45 to 54 years	559	11%
55 to 64 years	113	2%
65 to 74 years	33	1%
75 years and over	196	4%
Total population below Poverty level	4,867	100%
Percent of population below poverty level	2%	

Exhibit II.D-22 below shows the number of persons living below the poverty level and the corresponding percent of each age cohort that is below poverty for 1990, 2000 and 2006. Poverty rates have declined since 1989, although they were quite low to begin with. The poverty rate is highest for Douglas's seniors aged 75 years and over, but just slightly so: four percent live in poverty, or an equivalent of 196 persons.

**Exhibit II.D-22.
Population Living Below Poverty Level by Age, Douglas County, 1990, 2000 and 2006**

	1989		1999		2006	
	<i>Below Poverty</i>	<i>Percent of Age Cohort</i>	<i>Below Poverty</i>	<i>Percent of Age Cohort</i>	<i>Below Poverty</i>	<i>Percent of Age Cohort</i>
Under 5 years	213	4%	338	2%	386	2%
5 to 17 years	510	4%	797	2%	1,272	2%
18 to 64 years	1,049	3%	2,315	2%	2,980	2%
65 to 74 years	86	5%	128	3%	33	0%
75 years and over	37	6%	128	5%	196	4%
Population below Poverty level	1,895	3%	3,706	2%	4,867	2%

Source: U.S. Census Bureau, 1990 Census, 2000 Census, and 2006 American Community Survey.

Exhibit II.D-23 shows the poverty data by age in a bar graph.

**Exhibit II.D-23.
Percent of Population
Living Below Poverty
Level for Each Age
Cohort, Douglas County,
1990, 2000 and 2006**

Source:

U.S. Census Bureau, 1990 Census, 2000
Census and 2006 American Community
Survey.

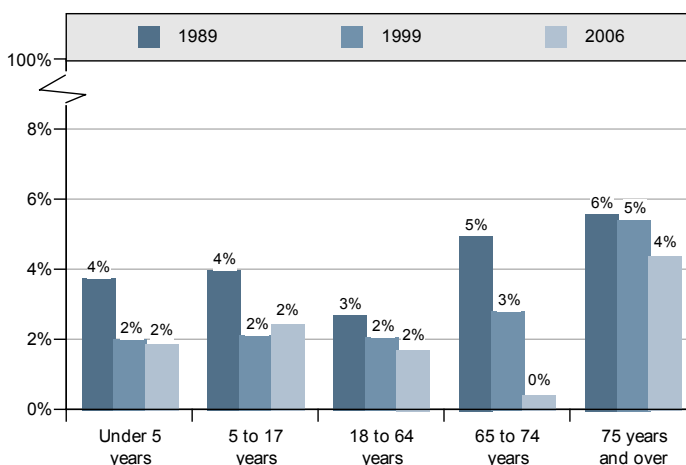


Exhibit II.D-24 shows poverty rates by family type. Poverty rates remain low for all types of households. Married couple households without children have the lowest poverty rate.

Exhibit II.D-24.
Households Living
Below Poverty Level
by Household Type,
Douglas County, 2006

Source:
U.S. Census Bureau's 2006 American
Community Survey.

	Households	Percent of Type
Family household	1,098	2%
With children	810	2%
Without children	288	1%
Nonfamily household	602	3%
Male householder	204	2%
Female householder	398	4%
Total households below poverty	1,700	2%

Characteristics of low income households. Approximately three percent of Douglas County households earned less than \$20,000 per year (approximately 28 percent of the AMI), which defines them as “extremely” low income⁵. Households with a head of household under 25 years had the largest proportion of their households earning less than \$20,000. These households are often in school or are starting out in the workforce and thus have lower incomes.

Exhibit II.D-25.
Households with Incomes Less than \$60,000 by Age, Douglas County, 2006

	Extremely Low Income		Very Low Income		Low Income		<\$60,000
	Household Earning <\$20,000	Percent of Age Cohort	Households Earning \$20,000 to \$34,999	Percent of Age Cohort	Households Earning \$35,000 to \$59,999	Percent of Age Cohort	Percent of Age Cohort
Under 25 years	594	13%	940	21%	1565	35%	70%
25 to 44 years	1,177	3%	1,650	4%	5,657	13%	19%
45 to 64 years	725	2%	1,510	4%	4,243	12%	18%
65 years and over	635	9%	1,320	18%	1,969	27%	54%
Total	3,131	3%	5,420	6%	13,434	15%	24%

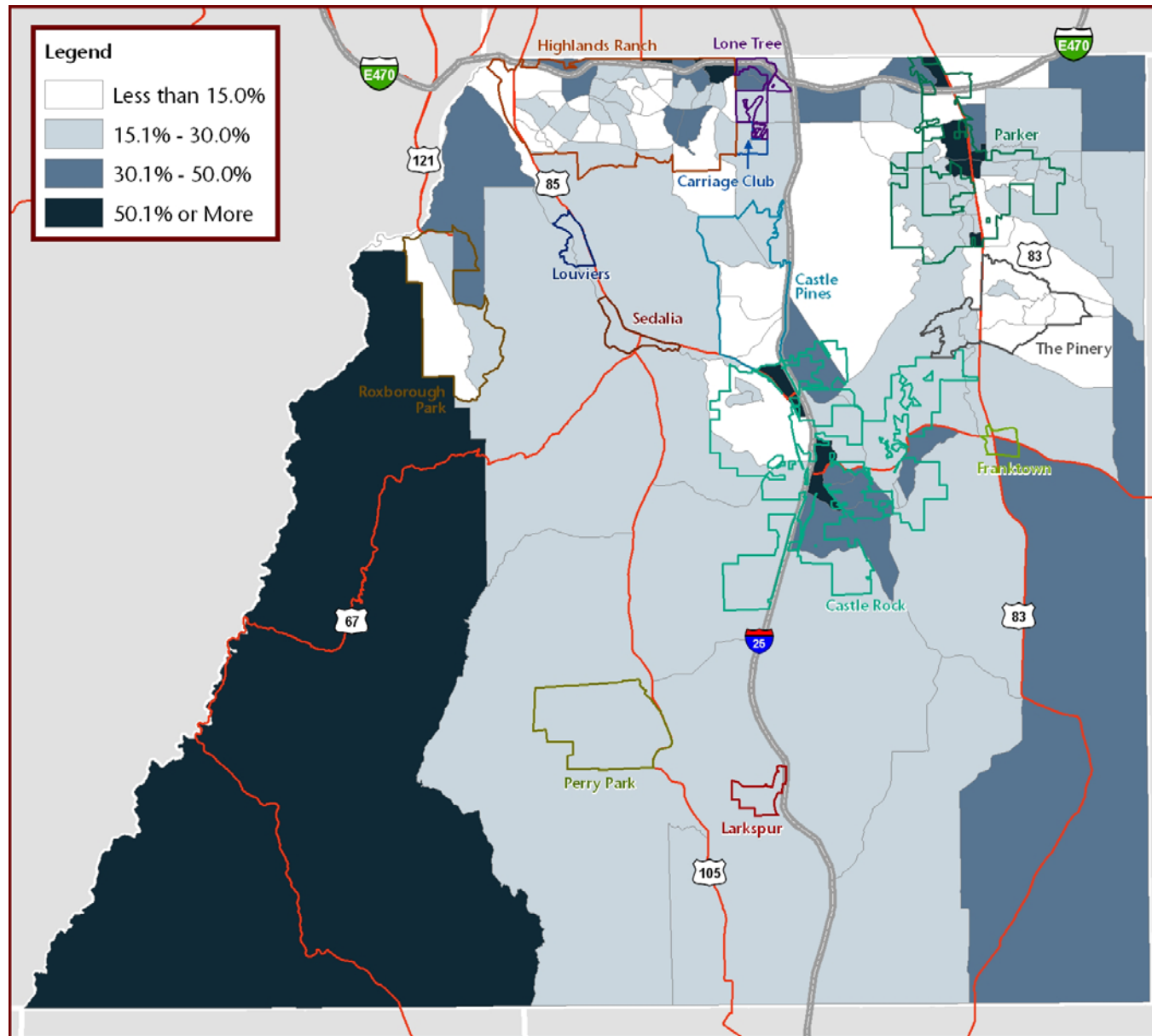
Source: U.S. Census Bureau's 2006 American Community Survey.

Exhibit II.D-26 displays where households with household incomes less than \$60,000—roughly households at the 80 percent AMI mark—reside in Douglas County by Census Tract. Areas of Parker, Highlands Ranch, Castle Rock, and the eastern part of the County had the highest percentage of households with a household income less than \$60,000.

⁵ “Very” low income households earn less than 50 percent of the AMI; “low” income households earn less than 80 percent.

Exhibit II.D-26.

Percent of Households Earning Less Than \$60,000 (Low Income Households) by Census Tract, Douglas County, 2007

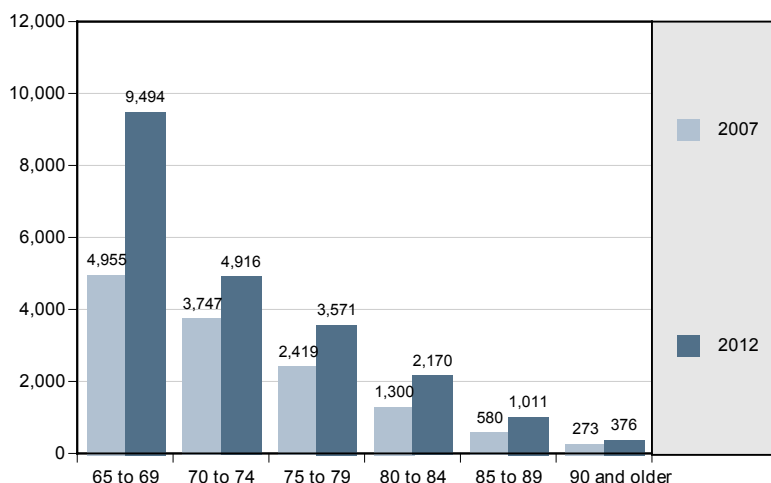


Source: Claritas, 2007 estimates.

Seniors. As discussed earlier in this chapter, the number of senior citizens is expected to grow in coming years, although it will be slightly behind the national trends. DOLA predicts that by 2012, there will be over 4,500 additional Douglas County residents between 65 and 69, and 3,700 more residents 70 and older, for total increase of about 8,200. Exhibit II.D-27 shows the number of seniors by age in 2007 and 2012. Seniors over the age of 75 are more likely to become disabled and frail, and are more likely than younger seniors to need special services.

Exhibit II.D-27.
Seniors by Age,
Douglas County,
2007 and 2012

Source:
Colorado Department of Local Affairs.



Persons with disabilities. In 2006, 17,338 people residing in Douglas County—or seven percent of the County’s population—had some type of disability. As shown in Exhibit II.D-28, disabilities are most common for the County’s older residents—24 percent of 65 to 74 year olds and 43 percent of residents 75 and older living in the County have some type of disability.

Exhibit II.D-28.
Disability Status by Age,
Douglas County, 2006

Source:
U.S. Census Bureau’s 2006 American Community Survey.

	Persons with a Disability	Percent within Age Range
5 to 15 years	1,624	3%
16 to 20 years	1,561	11%
21 to 64 years	10,326	6%
65 to 74 years	1,912	24%
75 years and over	1,915	43%
Total population 5 years and over	17,338	7%

As the senior population in the U.S. grows, so will the number and the percentage of persons with disabilities. In 2006, 3,827 (31 percent) of residents age 65 and over reported a disability. If the proportion of senior citizens with a disability stays constant between now and 2012, the number of senior citizens with a disability could grow to over 6,570 by 2012.

Persons who are homeless. The Metro Denver Homeless Initiative (MDHI) conducts annual point-in-time counts and surveys of the homeless population in the metropolitan area. Douglas County participates and supports the efforts of the MDHI.

In 2007, an estimated 10,604 people were homeless across the seven-county metropolitan area during one night in January. This number is comprised of 8,482 individuals on which survey data was received plus an additional estimate of 1,305 unsheltered individuals and 817 relatives not identified by survey respondents. Asked where they spent the night, 47 of the 8,482 respondents, or 0.6 percent, reported Douglas County. Of the homeless households, 63 percent were headed by females. Forty-five percent responded that their household included children.

These numbers should be interpreted with caution, as the homeless data from the MDHI is *not* intended to give a concrete estimate of the entire homeless population, but rather *is* intended to provide an overall demographic profile of the homeless population.

The survey results indicate that homeless individuals in Douglas County are most likely to be adults between the ages of 26 and 64 (88 percent); White (67 percent); female (63 percent); and households without children (55 percent).⁶

In many cases, the last permanent address recorded by those surveyed was Douglas County (38 percent) followed by Arapahoe County (25 percent). The night of the survey, most respondents stayed with friends and family (64 percent), somewhere else (19 percent) or in a domestic violence shelter (nine percent). Despite being in Douglas County during the time of the survey, some individuals spent the night in Denver (nine percent) or Arapahoe County (six percent). Others stayed in Castle Rock (40 percent), Parker (23 percent), and Highlands Ranch (21 percent).

⁶ Percentages represent the valid percentages presented by the Metro Denver Homeless Initiative. Valid percentages do not include missing responses.

Eighty-three percent of survey recipients reported no mental or emotional conditions that may have contributed to their homeless status. The majority (70 percent) of the homeless were not receiving public assistance at the time the survey was completed. Thirty-five percent of the respondents said losing their job or not being able to find a job was the reason they became homeless. Exhibit II.D-29 summarizes the key characteristics of the homeless population in Douglas County as gathered from the 2007 point-in-time homeless survey.

Exhibit II.D-29.
Characteristics of Homeless Population, Douglas County, 2007

Number Percent			Number Percent		
Homeless population			47		
Gender					
Male	6	38%			
Female	10	63%			
Race/Ethnicity					
Asian	-	-			
African American	1	7%			
Native American	-	-			
White	10	67%			
Mixed	3	20%			
Other	1	7%			
Hispanic	3	19%			
Household Situation					
Single	12	55%			
Single parent	7	32%			
Couple with children	3	14%			
Households without children	12	55%			
Households with children	10	46%			
			Special Needs		
			Mental illness	4	17%
			Physical/Medical condition	3	13%
			Substance abuse	5	22%
			Developmental disability	0	0%
			HIV/AIDS	0	0%
			Why Homeless		
			Lost Job - Cannot find work	8	35%
			Wages Too Low	5	22%
			Family Break up, Death	5	22%
			Abuse or Violence	7	30%
			Runaway from Home	0	0%
			Discharged from Jail/Prison	0	0%
			Medical Problems	1	4%
			Eviction/Foreclosure	6	26%
			Housing Cost Too high	6	26%
			Utility Costs Too High	4	17%
			Alcohol, Drug Abuse	4	17%
			Mental, Emotional Problems	4	17%
			Other Reason	5	22%
			Chronically homeless	37	79%

Note: Not all percentages may add to 100 percent, due to rounding.

Source: Metro Denver Homeless Initiative, 2007 Point-in-Time Count.

At risk of homelessness. While 47 persons were identified as homeless in Douglas County from the MDHI survey, many more can be considered at risk of becoming homeless. As can be seen in Exhibit II.D-21 (page 12), regardless of housing type, 4,867 persons in the County were living in poverty in 2006. In addition, as shown in Section III, Exhibit III.D-33, there were 9,583 *severely* cost burdened households (paying 50 percent or more of their incomes for housing costs) in Douglas County in 2007. These populations represent those persons most at risk for homelessness in the future.

Homelessness and foreclosure. In 2007, Douglas County had 6,897 *severely* cost burdened households with a mortgage. These are the households most at risk for foreclosure and possible homelessness, although foreclosure has, in recent times, affected all income brackets. It is the combination of low income and cost-burdened with a mortgage, however, that creates a strong risk profile.

Douglas County Economy

This section provides a brief overview of Douglas County's employment composition and economic vitality. A more in-depth look at Douglas County's workforce and its housing needs is discussed in Section V.

Current employment. DRCOG estimated there to be 93,025 wage and salary jobs in Douglas County in 2007, which equates to seven percent of the seven-County region's wage and salary jobs. The Colorado Department of Labor's estimates reflect similar regional proportionality.⁷ Exhibit II.D-30 displays the seven-County Denver area employment distribution based on DRCOG's 2007 estimates.

Exhibit II.D-30. Employment by County, 2007

Source:

Denver Regional Council of Governments (DRCOG), 2007
Employment Estimates.

County	2007 Employment	Percentage of Seven-County Total
Douglas	93,025	7%
Adams	158,473	12%
Arapahoe	276,866	20%
Boulder	151,878	11%
Broomfield	30,843	2%
Denver	427,870	32%
Jefferson	214,371	16%

Jobs and housing balance. "Jobs/housing balance" is a ratio that examines how many jobs a community has compared to housing units. It is one measure of how well a community is providing housing for its workforce. In general, most communities desire to have a jobs/housing balance close to 1, meaning that the number of households matches the number of jobs. An examination of community employment to household ratios can help gauge which communities are providing the region and Douglas County with more or less of their fair share of workforce housing.

A jobs-to-household ratio of less than "1" means that there is less than one job opportunity available within the municipality for each household residing in that town. Except for Lone Tree, the cities located in Douglas County have jobs-to-household ratios of less than 1, meaning that they have more households than jobs available. Overall, the County has a jobs/housing ratio that is very close to 1.

Exhibit II.D-31. Jobs-to-Household Relationship by Place, Douglas County, 2007

Note:

Highlands Ranch is an unincorporated community. As such, it is officially included in "unincorporated Douglas County."

Source:

Denver Regional Council of Governments (DRCOG), 2007 Household and Employment Estimates

	Households	Employment	Ratio of Jobs per Household
Douglas County	96,906	93,025	0.96
Castle Rock	15,591	11,561	0.74
Larkspur	97	80	0.82
Lone Tree	3,907	10,669	2.73
Parker	14,696	11,087	0.75
Unincorporated Douglas	62,517	59,469	0.95

⁷ DRCOG and CDLE both use QCEW data for their estimates. However, different methodologies produce slightly different results.

Employment composition and unemployment rate. Exhibit II.D-32 provides the employment distribution in Douglas County. Douglas County's main employment industries are retail trade, construction, government, and accommodation and food services.

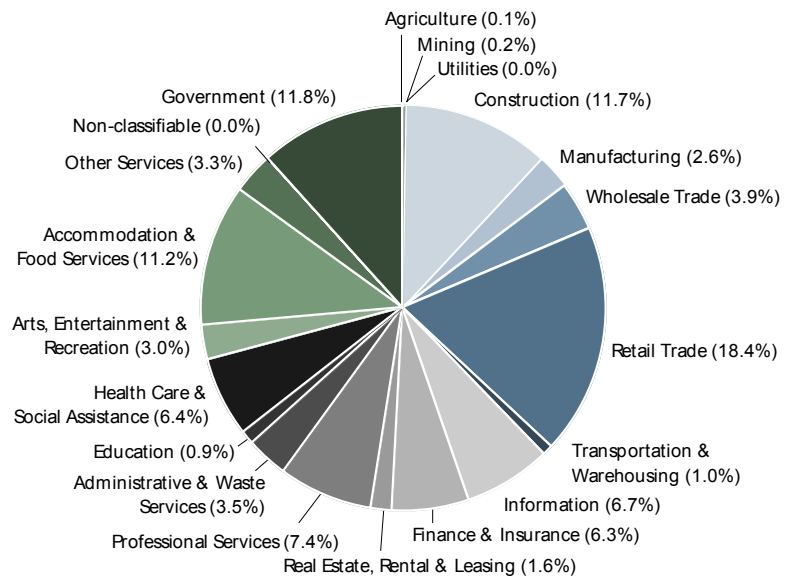
**Exhibit II.D-32.
Employment by
Industry, Douglas County,
2006**

Note:

To simplify the pie chart, similar industry categories were grouped together to create fewer categories. All groupings have maintained their original industrial names, except FIRE, which stands for Finance, Insurance and Real Estate.

Source:

Colorado Department of Labor & Employment, QCEW data.



The primary industries of Douglas County have experienced average job growth in the last five years, thereby creating less unemployment in Douglas County than in Colorado and the U.S. early in the decade. Although there has been some industry fluctuation in recent years within the County, the overall employment composition in Douglas County has remained stable.

Exhibit II.D-33 displays the 5-year trend in employment by industry for Douglas County. Exhibit II.D-34 presents the 5-year trend in unemployment for Douglas County, the State of Colorado and the U.S.

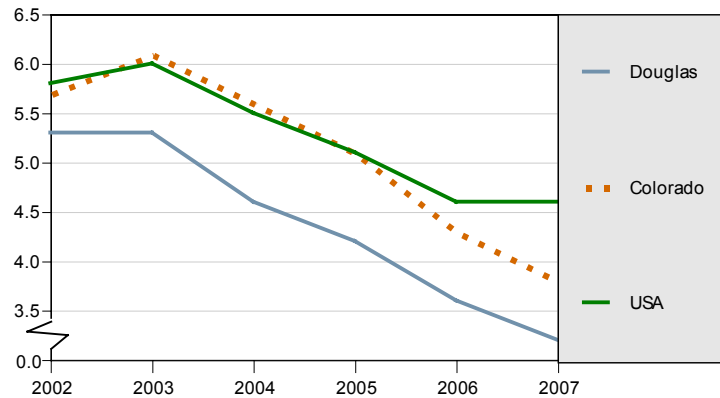
Exhibit II.D-33.
Employment by Industry, Douglas County, 2002-2006

Industry	2002		2003		2004	
	Number	Percentage	Number	Percentage	Number	Percentage
Agriculture	97	0%	96	0%	103	0%
Mining	82	0%	84	0%	101	0%
Utilities		0%		0%		0%
Construction	7,795	12%	7,679	12%	9,212	13%
Manufacturing	1,981	3%	1,947	3%	1,877	3%
Wholesale Trade	2,619	4%	2,695	4%	2,961	4%
Retail Trade	13,317	21%	13,582	21%	14,535	20%
Transportation & Warehousing	367	1%	347	1%	394	1%
Information	5,286	8%	5,122	8%	5,227	7%
Finance & Insurance	3,057	5%	2,881	4%	3,270	5%
Real Estate, Rental & Leasing	886	1%	977	2%	1,063	1%
Professional Services	3,420	5%	3,581	6%	4,117	6%
Management	175	0%	141	0%		0%
Administrative & Waste Services	2,094	3%	2,096	3%	2,584	4%
Education	480	1%	576	1%	683	1%
Health Care & Social Assistance	2,724	4%	3,002	5%	4,180	6%
Arts, Entertainment & Recreation	1,227	2%	1,362	2%	1,618	2%
Accommodation & Food Services	7,179	11%	7,487	12%	8,439	12%
Other Services	2,541	4%	2,660	4%	2,840	4%
Non-classifiable	0	0%	2	0%	5	0%
Government	8,214	13%	8,547	13%	8,884	12%
Total	63,541		64,864		72,093	
Industry (Continued)	2005		2006			
	Number	Percentage	Number	Percentage		
Agriculture	119	0%	114	0%		
Mining	117	0%	211	0%		
Utilities		0%	0	0%		
Construction	10,038	12%	9,898	12%		
Manufacturing	2,262	3%	2,164	3%		
Wholesale Trade	3,116	4%	3,305	4%		
Retail Trade	15,375	19%	15,621	18%		
Transportation & Warehousing	830	1%	853	1%		
Information	5,974	7%	5,692	7%		
Finance & Insurance	3,892	5%	5,355	6%		
Real Estate, Rental & Leasing	1,232	2%	1,326	2%		
Professional Services	5,920	7%	6,319	7%		
Management		0%		0%		
Administrative & Waste Services	2,574	3%	2,930	3%		
Education	715	1%	793	1%		
Health Care & Social Assistance	4,929	6%	5,405	6%		
Arts, Entertainment & Recreation	1,854	2%	2,568	3%		
Accommodation & Food Services	9,147	11%	9,525	11%		
Other Services	3,009	4%	2,767	3%		
Non-classifiable	10	0%	17	0%		
Government	9,311	12%	9,972	12%		
Total	80,424		84,835			

Source: Colorado Department of Labor & Employment, QCEW data.

**Exhibit II.D-34.
Unemployment Rate
Comparison, 2002-2006**

Source:
Colorado Department of
Labor and Employment.



What Does the Future Hold for Douglas County?

Both DOLA and DRCOG project Douglas County to absorb a substantial amount of regional population and be a bigger provider of employment growth. Unlike some counties in the seven-county Denver region, Douglas County is far from build-out and enjoys an abundance of developable land in proximity to the Denver Tech Center and future commercial development in Lone Tree. As such, DOLA projects that Douglas County's population will increase by about 280,000 people between 2005 and 2035, as shown in Exhibit II.D-35. Although these numbers are quite significant, the projections assume lower average annual growth rates than the County has recently experienced.

**Exhibit II.D-35.
Projected Population
Growth, Douglas County,
2005 to 2035**

Source:
Colorado Department of Local Affairs.

Year	Projected Population	Time Period	Average Annual Growth Rate
2005	249,096	2000-2005	7.6%
2010	304,234	2005-2010	4.4%
2015	358,819	2010-2015	3.6%
2020	417,330	2015-2020	3.3%
2025	464,301	2020-2025	2.3%
2030	501,226	2025-2030	1.6%
2035	532,529	2030-2035	1.2%

DRCOG projects Douglas County's population to increase by 310,000 people between 2005 and 2035, absorbing one-fifth of the growth in their nine-county planning region.⁸ Again, although projected growth is strong, an average annual growth rate of 2.7 percent is less than the growth experienced by Douglas County since 1960.

DRCOG predicts that the fastest growing areas will be around Parker, Castle Rock and parts of Highlands Ranch.

⁸ DRCOG's nine-county planning region also includes Clear Creek County and Gilpin County.

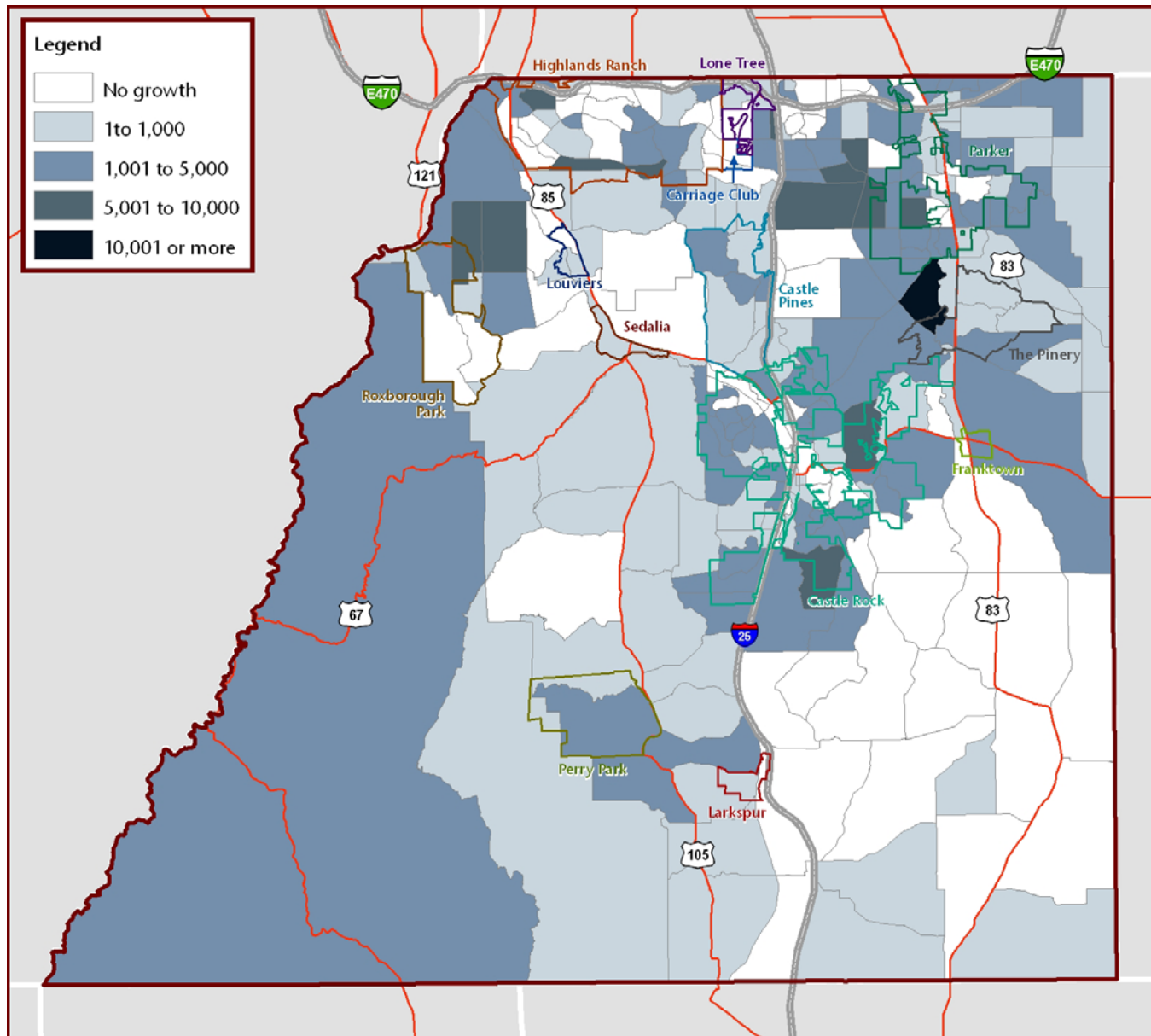
DRCOG employment forecasts predict Douglas County will add nearly 123,000 new jobs between now and 2035. The nine-county DRCOG region is expected to add approximately 960,000 jobs between now and 2035.⁹ Douglas County is predicted to absorb 13 percent of the region's new employment at an average annual growth rate of nearly 2.7 percent. This annual growth rate is the third highest of the all the counties that comprise the Denver region. The Counties of Adams and Broomfield have the highest average annual growth rates at 3.0 percent and 2.8 percent, respectively.

Employment growth in Douglas County is more concentrated than population growth, congregating around major transportation arteries like I-25 and E-470.

Exhibits II.D-36 and II.D-37 map population and employment growth (respectively) expected in Douglas County, as forecasted by DRCOG. Exhibit II.D-38 highlights the fastest growing areas (population and employment combined) in Douglas County.

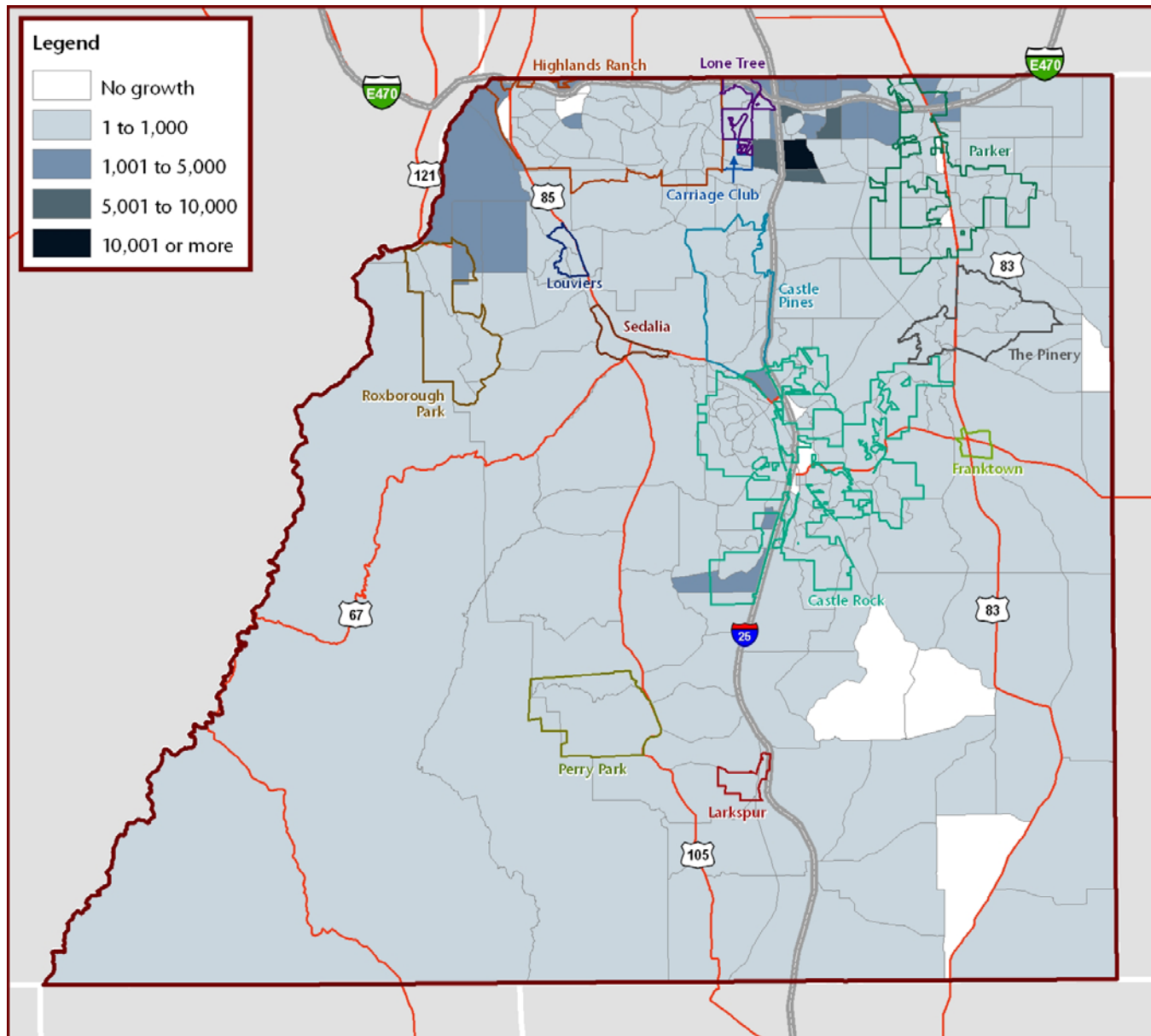
⁹ DRCOG 9-County region includes the following Counties: Adams, Arapahoe, Broomfield, Boulder, Clear Creek, Denver, Douglas, Gilpin and Jefferson.

Exhibit II.D-36.
Projected Population Growth, Douglas County, 2005-2035



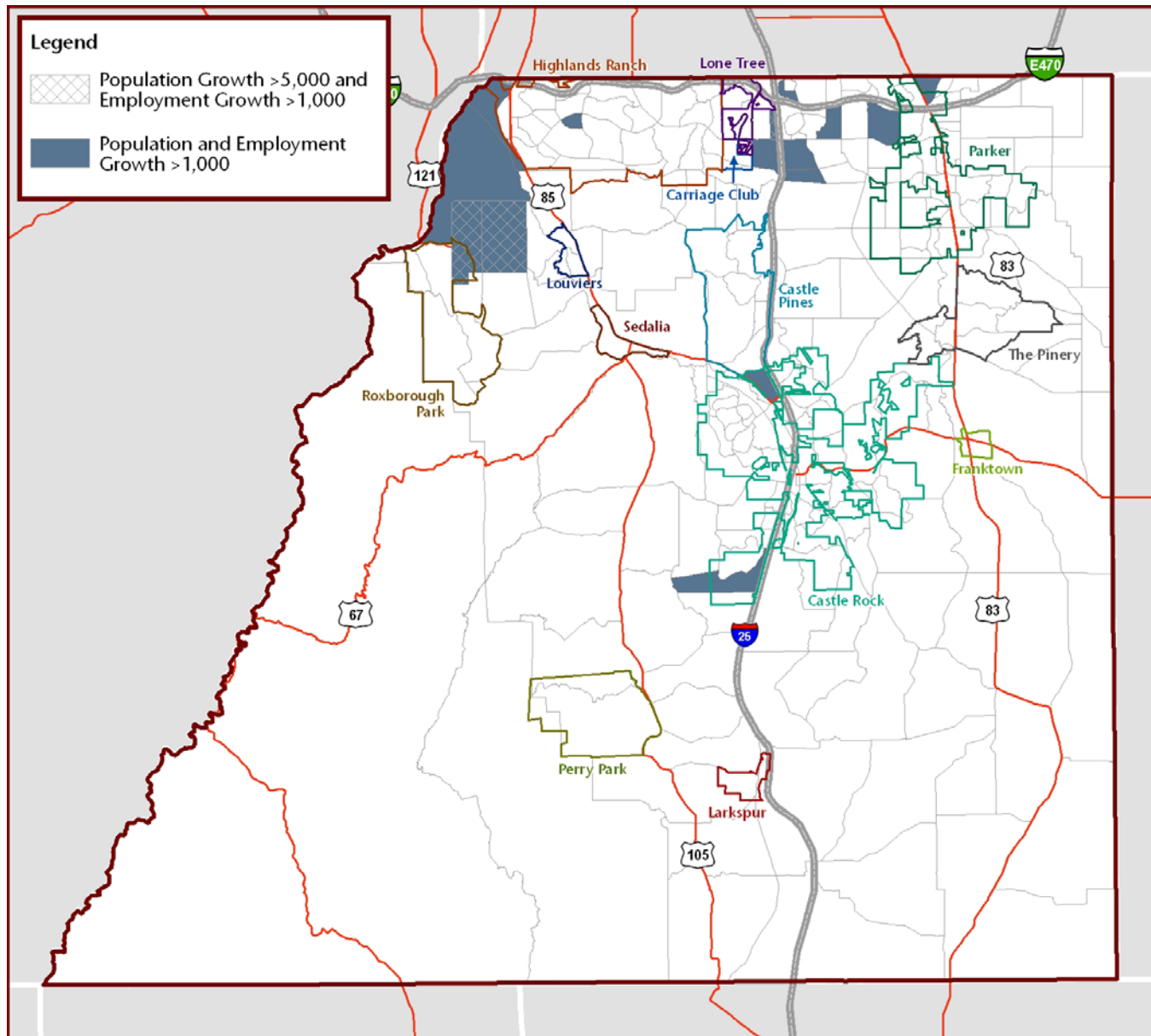
Source: Denver Regional Council of Governments (DRCOG), 2035 forecasts

Exhibit II.D-37.
Projected Employment Growth, Douglas County, 2005-2035



Source: Denver Regional Council of Governments (DRCOG), 2035 forecasts

Exhibit II.D-38.
Forecast of Population and Employment Growth Areas, Douglas County, 2005-2035



Source: Denver Regional Council of Governments (DRCOG), 2035 forecasts

SECTION III.D.—DOUGLAS COUNTY

Housing Profile and Cost

This section of the report profiles Douglas County's housing market. The chapter begins by discussing the overall housing stock and continues by describing the characteristics of owned and rented housing units within the County.

Summary

Like many communities across the United States, Douglas County has recently added a substantial amount of new homes to its existing housing stock during the past two decades. Between 2000 and 2007, approximately 36,000 new units were constructed in the County, increasing the housing stock by 57 percent. New units consisted mostly of single family detached units and apartments with five or more units, increasing the overall composition of apartments with five or more units to 15 percent, from eight percent in 2000, and five percent in 1990.

Homeowners make up the vast majority of residents in the County; 82 percent of all housing units in the County were occupied by owners in 2007. Whether households move into Douglas County specifically to purchase a home, or they purchase a home after renting within the County, Douglas County is a much more expensive market than neighboring areas, requiring a higher income level to enter the market. An analysis of listings of homes for sale in 2007 showed households must earn over \$100,000 annually to be able to afford the median priced single family home of \$370,000.

Renters in Douglas County face much higher rents than in most metro-Denver communities: According to the Metro Denver Vacancy and Rent Survey, the median rent was \$1,009.32 in the 2nd Quarter of 2008. Douglas County has a significant percentage of moderate income renters in part due to the combination of relatively high rents and high home prices.

What Does the Douglas County Housing Stock Look Like?

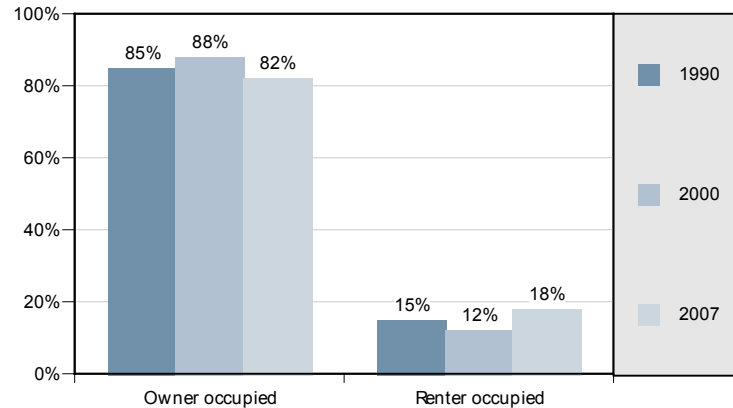
In 2007, the U.S. Census estimated there to be 99,301 housing units in Douglas County. Of those units, 94,804 were occupied, creating a vacancy rate of nine percent.¹ Eighty-two percent (78,089) of occupied housing units in Douglas County were owner-occupied and 18 percent (16,715) of Douglas County housing units were occupied by renters.

A similar tenure composition was reported in the 2000 U.S. Census, which estimated that 88 percent of the 90,924 *occupied* housing units in Douglas County were owner-occupied and 12 percent of the units were renter-occupied. And in 1990, Census estimated an 85 percent owner and 15 percent renter composition, as shown in Exhibit III.D-1.

¹ DOLA estimated a 2007 vacancy rate of 7.0 percent. DRCOG's January 1, 2007, Douglas County vacancy rate was 4.6 percent. The differences in vacancy rates reflect differences in methodologies used by the different entities.

**Exhibit III.D-1.
Renter- vs. Owner-
Occupied Housing Units,
Douglas County,
1990, 2000 and 2007**

Source:
U.S. Census Bureau's 1990 Census, 2000
Census and 2007 American Community Survey.



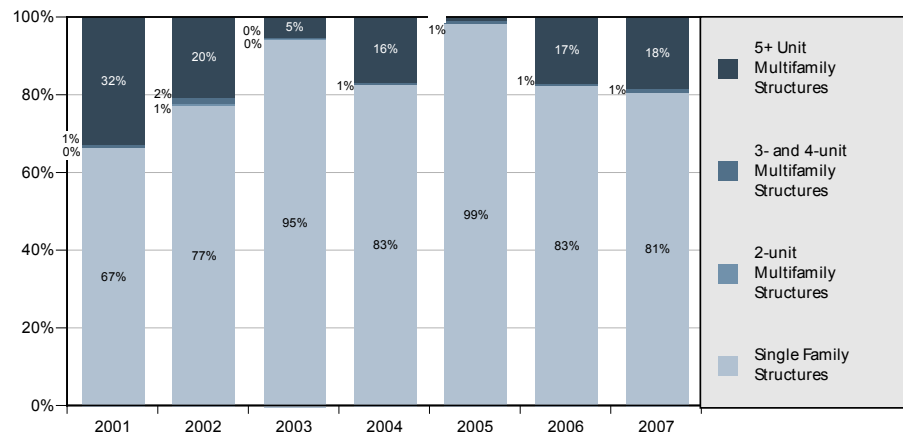
Historical production. According to the U.S. Census, between 2000 and 2007, Douglas County issued 31,140 new housing unit building permits². If all of the permitted units were built during 2001 to 2007, there will have been a 49 percent increase of housing units since 2000. In 2001, 6,052 new units were permitted. That number dropped slightly and then ranged between 3,700 to 5,600 permits annually through 2006. In 2007, the County experienced a slowdown in new residential permits units (2,263).

After a surge of multifamily units in 2001, and to a lesser extent, in 2002, the permits of new units has favored single family, suggesting that most new construction was designed to be less dense and targeted towards homeowners.

Exhibit III.D-2 shows the proportion of residential housing units that have been permitted in Douglas County since 2001 by type of unit.

**Exhibit III.D-2.
Residential
Housing Units
Permitted in
Douglas County,
2001 to 2007**

Source:
U.S. Census Bureau.

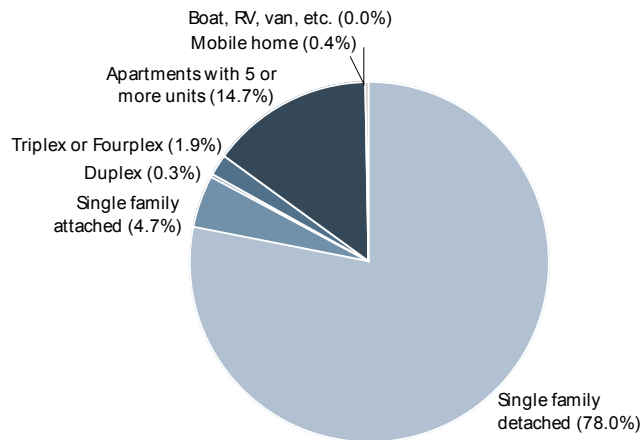


² The number of building permits issued and housing units developed can differ depending up on the time frame under which the units are developed. For example, a county may issue a building permit for a unit to be developed, but that housing unit may not be constructed right away.

Composition of housing stock. In 2007, 78 percent of Douglas County's housing units were single family, detached housing units; 15 percent were apartments with five or more units. Approximately seven percent of the units were single family, attached, duplex, triplex, or fourplex units and another 0.4 percent of the units in the County were mobile homes. Exhibit III.D-3 shows housing units by type for Douglas County for 2007.

**Exhibit III.D-3.
Housing Units by Type,
Douglas County, 2007**

Source:
U.S. Census Bureau's 2007 American
Community Survey.



During the last seven years the relative emphasis on apartment construction has shifted the overall distribution of the housing composition in Douglas County. Apartment complexes with five or more units make up 15 percent of the housing units in 2007, compared to eight percent in 2000. Exhibit III.D-4 displays Douglas County's housing composition since 1990.

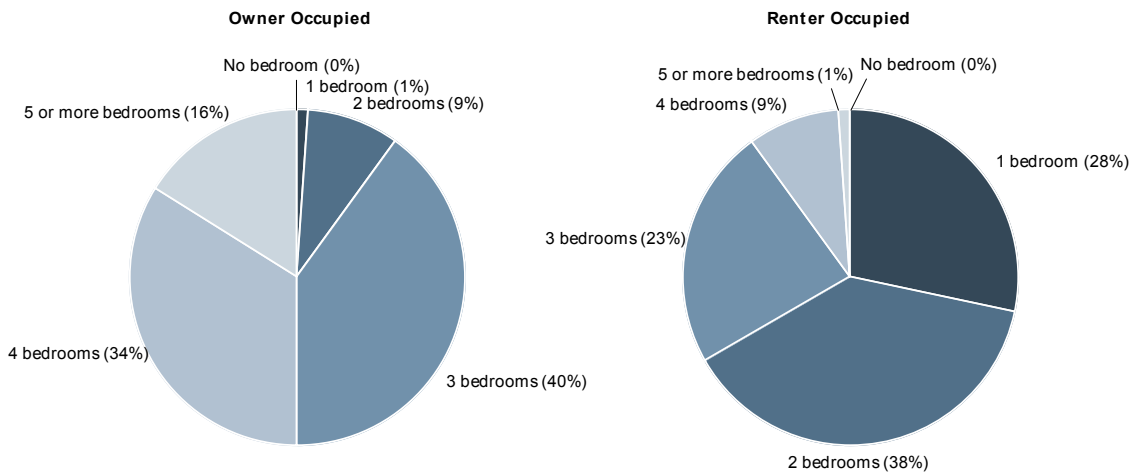
**Exhibit III.D-4.
Housing Units by Type, Douglas County, 1990, 2000 and 2007**

	1990		2000		2007	
	Number	Percent	Number	Percent	Number	Percent
Single family detached	18,865	85%	54,428	86%	77,503	78%
Single family attached	1,522	7%	2,533	4%	4,704	5%
Duplex	119	1%	103	0%	284	0%
Triplex or fourplex	221	1%	738	1%	1,863	2%
Apartments with 5 or more units	1,226	5%	5,226	8%	14,560	15%
Mobile home	338	2%	305	0%	387	0%

Source: U.S. Census Bureau's 1990 Census, 2000 Census and 2006 American Community Survey.

Size. Douglas County’s rental units are most likely to be two bedroom units (38 percent), followed by one bedroom units (28 percent) and three bedrooms (23 percent). Douglas County’s owner-occupied units most commonly have three bedrooms (40 percent), followed by four bedrooms (34 percent), as shown in Exhibit III.D-5. Since Douglas County has a relatively large average household size for owner households (2.96), the supply of larger units seems consistent with the demand induced by these households.

Exhibit III.D-5.
Housing Units by Size, Douglas County, 2007

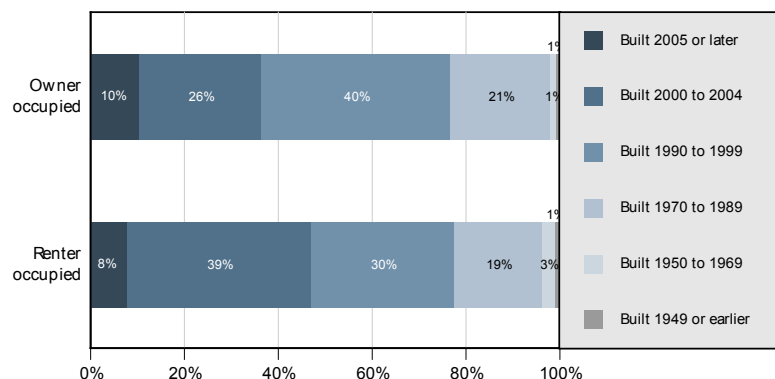


Source: U.S. Census Bureau’s 2007 American Community Survey.

Age of housing stock. The owner- and renter-occupied housing stock in Douglas County is newer than the Denver metropolitan area’s properties. Seventy-seven percent of the County’s housing units were constructed after 1990, as compared with 31 percent of the Denver metro area’s housing units. Douglas County went through a construction boom during the 1990s and early 2000s. Two-thirds of all owner-occupied units in Douglas County were built during the 1990s and 2000-2004, and 70 percent of all rental units were built during the same time period. Exhibit III.D-6 displays the age composition for both renter and owner occupied units.

Exhibit III.D-6.
Years Housing Units Were Built, Douglas County, 2007

Source:
U.S. Census Bureau’s 2007 American
Community Survey.



As Douglas County's housing stock ages, the number and cost of required repairs will increase. Typically, if needed repairs are not made, the quality of the area's housing stock will decline. Overall, Douglas County tends to have a much younger housing stock when compared to the State's housing stock overall. The median year housing units were built in Douglas County was 1997; the State's median year built is approximately 18 years earlier in 1979.

Overcrowded housing. A key factor to examine in evaluating housing condition is overcrowding. Overcrowding in housing can threaten public health, strain public infrastructure, and points to an increasing need of affordable housing. The amount of living space required to meet health and safety standards is not consistently specified; measurable standards for overcrowding vary. According to HUD, the most widely used measure assumes that a home becomes unhealthy and unsafe where there are more than 1, or sometimes 1.5, household members per room.³ Another frequently used measure is the number of individuals per bedroom, with a standard of no more than two persons per bedroom. Assisted housing programs usually apply this standard.

HUD defines an overcrowded unit as having more than one person per room, which is the definition used for the purpose of this study. Approximately 0.9 percent of the County's households—or about 811 households—live in overcrowded conditions; this is lower than the State's rate of 2.1 percent of housing units that were overcrowded. Less than one-half of a percent of owner-occupied housing units (310 units) were overcrowded, compared to 3.0 percent of renter-occupied units (501 units) that were overcrowded. Compared to the State, Douglas County's rate of overcrowded owner-occupied households is much lower and the rate of overcrowded renter-occupied households is also lower than the 4.1 percent of the State's renter households that were overcrowded.

Overcrowding can be an issue more prevalent among certain racial and ethnic groups, lower-income households, and inner-city dwellers. Less than one percent of White households have a ratio of "1" or more occupants per room. However, households defined by residents of some other race (15.2 percent), households of two or more races (10.5 percent), and households of Hispanic/Latino ethnicity (4.1 percent) all had higher rates of overcrowding. The higher prevalence of overcrowding could be because of a preference for an extended family to occupy one housing unit, lower average incomes held by certain ethnic groups, or a greater likelihood of ethnic groups living in smaller rental properties.

³ The HUD American Housing Survey defines a room as an enclosed space used for living purposes, such as a bedroom, living or dining room, kitchen, recreation room, or another finished room suitable for year-round use. Excluded are bathrooms, laundry rooms, utility rooms, pantries, and unfinished areas.

Severely substandard condition. In general, Douglas County housing units do not lack in basic amenities. According to the 2007 ACS, less than one-fifth of a percent (0.17 percent) of housing units in Douglas County lack complete plumbing (167 units); and 0.04 percent lack complete kitchens (41 units). The County’s relatively new housing stock helps ensure that units with severe conditional problems are kept to minimal proportions. Less than one percent of the housing units in Douglas County were built before 1940, when the risk of lead-based paint is highest.⁴

Who Rents and Who Owns in Douglas County?

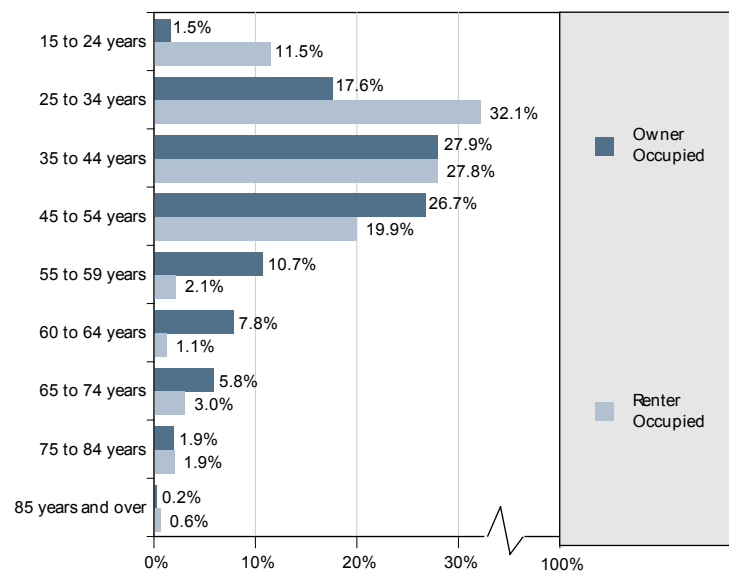
This section examines the demographic characteristics of renters and owners in Douglas County, beginning with renters. It helps to describe the demographics of those renters and owners identified as having housing needs in Section IV.

Characteristics of renters. Renters in Douglas County are much younger than homeowners. As shown in the exhibit below, there is a distributional shift in tenure once households reach middle age. Households where the head is 34 years and younger are much more likely to be renters; households where the head is 45 years and older are much more likely to own.

Exhibit III.D-7 provides the age distribution of owned and rented properties by the age of the head of household.

**Exhibit III.D-7.
Age of Head of Household
by Tenure, Douglas
County, 2007**

Source:
U.S. Census Bureau’s 2007 American
Community Survey.



Renter-occupied households have a substantially lower household income than owner households in Douglas County (even though it is higher compared to renters in other counties). The median household income for renter-occupied housing units is \$55,038. Although this median is high for renters, it is \$46,300 *less than* the median household income present in owner-occupied households in Douglas County.

⁴ Lead-based paint was banned from residential use in 1978. Housing built before 1978 is considered to have some risk, but housing built prior to 1940 is considered to have the highest risk. After 1940, paint manufacturers voluntarily began to reduce the amount of lead they added to their paint. As a result, painted surfaces in homes built before 1940 are likely to have higher levels of lead than homes built between 1940 and 1978.

The lower the level of education obtained by residents, the more likely Douglas County residents are to rent. Sixty-one percent of individuals who have obtained less than a high school degree rent in Douglas County. That percentage decreases as more education is obtained, meaning that the higher the level of education obtained, the more likely households are to buy. For example, households headed by someone with at least a college degree rent just 18 percent of the time.

Because White households are the largest racial group within the County, they are the largest racial group to occupy all rental units in Douglas County (86 percent). African American households account for six percent of renter households.

Among African American households, renting is more prevalent, as 54 percent of African American households are renters. Exhibit III.D-8 shows tenure by race and ethnicity.

**Exhibit III.D-8.
Tenure by Race and
Ethnicity, Douglas
County, 2007**

Source:
U.S. Census Bureau's 2007 American
Community Survey.

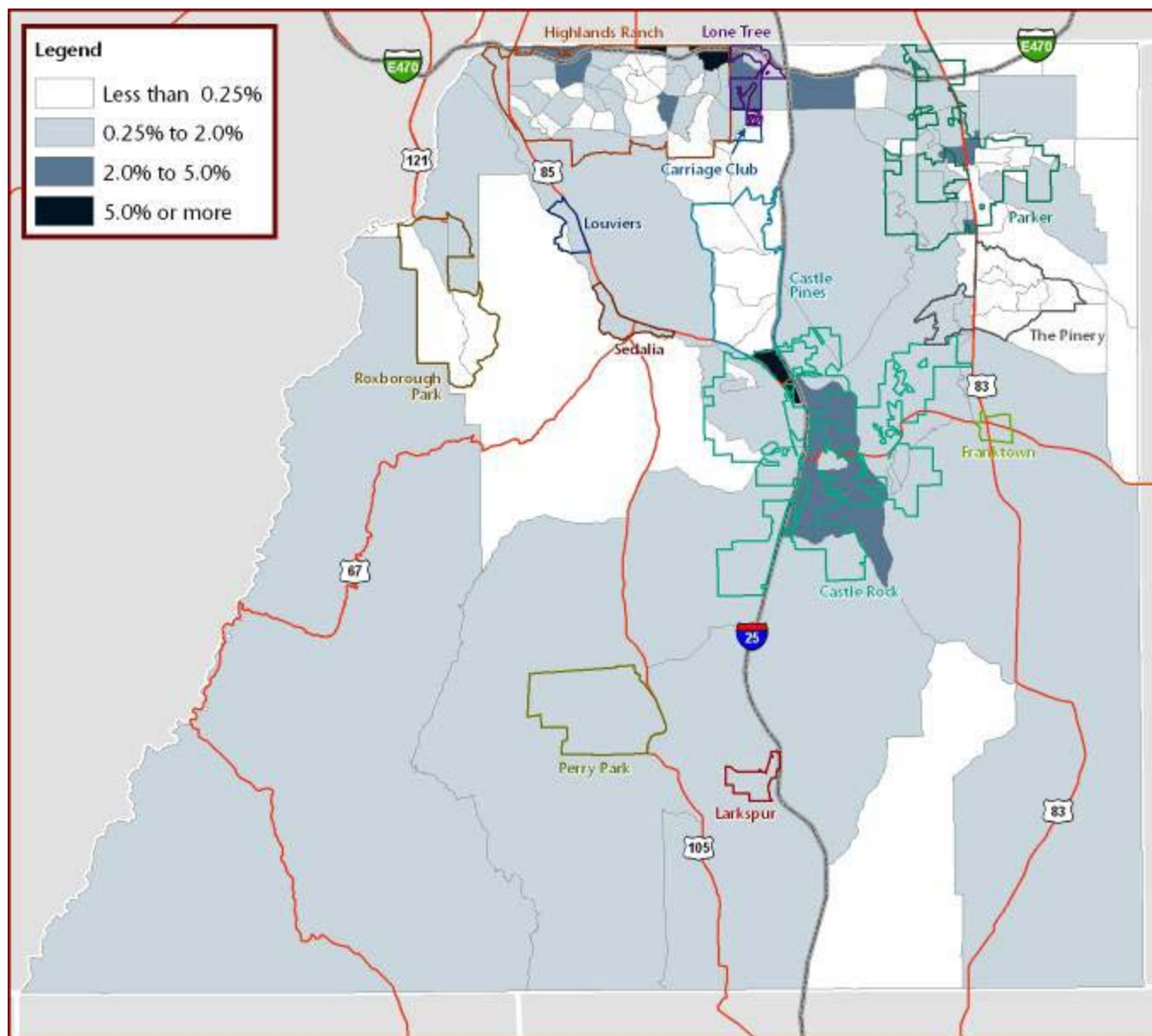
	Owner Occupied		Renter Occupied	
Total Housing Units	78,089	100%	16,715	100%
American Indian and Alaska Native Alone	-		-	
Asian Alone	2,091	3%	522	3%
Black or African American Alone	890	1%	1,027	6%
Native Hawaiian and Other Pacific Islander Alone	-		-	
White Alone	72,923	93%	14,364	86%
Some Other Race Alone	914	1%	451	3%
Two or More Races	833	1%	263	2%
Hispanic or Latino	3,511	4%	1,670	10%

Renters and owners drive alone to work at nearly the same rate: Eighty percent of renters drive alone, as compared to 78 percent of homeowners.

As to be expected, renters are more transient: 80 percent of renter households (13,405) moved into their rental unit in 2005 or later, compared to 28 percent of owner-occupied housing units (15,205). An additional 17 percent of renters moved into their units between 2000 and 2004.

Where do renters live in Douglas County? Renters in Douglas County are most likely to live close to major transportation arterials. These areas are primarily located in Lone Tree, Highlands Ranch, and Castle Rock. Exhibit III.D-9 displays the spatial distribution of renter occupied housing units in Douglas County.

Exhibit III.D-9.
Distribution of Renter-Occupied Housing Units, Douglas County, 2007



Source: Claritas, 2007 estimates.

Type of units renters occupy. Renters in Douglas County mostly live in buildings with five units or more; 62 percent of the County's renters live in such buildings. The second most common rental arrangement is single family, detached homes (27 percent). Exhibit III.D-10 displays renter-occupied housing units by structure type.

Exhibit III.D-10.
Renter-Occupied Housing Units By
Structure Type, Douglas County, 2007

Source:
U.S. Census Bureau's 2007 American Community Survey

	Number of Units	Percent of Total
Single family detached	4,592	27%
Single family attached	587	4%
Duplex	88	1%
Triplex or fourplex	1,027	6%
Buildings with 5 or more units	10,344	62%
Mobile home	77	0%
Total	16,715	100%

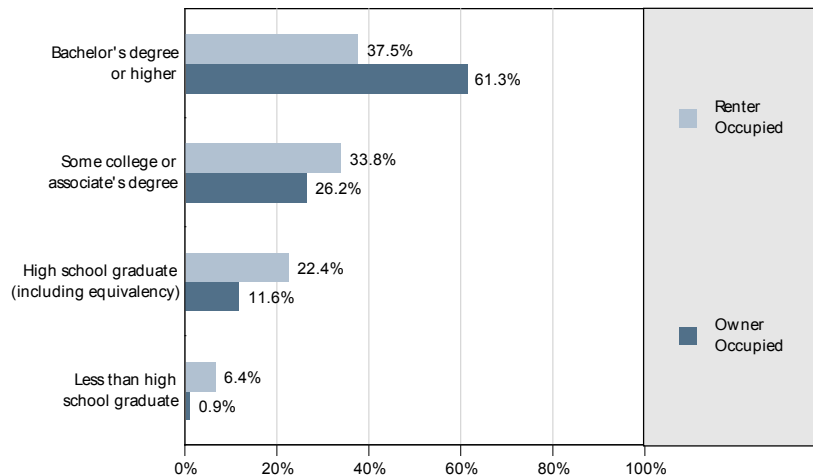
Who are the County's owners? Eighty-two percent of Douglas County households own the units in which they reside. Married households, with and without children, are likely to be homeowners in Douglas County. Data also shows that residents with higher levels of education are likely to be homeowners.

Owner household composition. Eighty-seven percent of all family households currently own the homes in which they reside and 13 percent rent. Married-couple households are likely to own their Douglas County home (91 percent) Non-married households headed by a male own 67 percent of the time. Female-headed, non-married households own 60 percent of the time.

Education. Homeowners are more likely to have attained a higher level of education compared to renters in Douglas County. Exhibit III.D-11 shows educational attainment for homeowners and renters.

Exhibit III.D-11.
Educational Attainment
for Homeowners and
Renters, Douglas County,
2007

Source:
U.S. Census Bureau's 2007 American
Community Survey.



Rental Cost and Vacancies

The apartment vacancy rate estimated by the Apartment Association of Metro Denver for the 2nd Quarter of 2008 was 8.3 percent. The average for all of 2007 was 6.28 percent. This was down from the 6.83 vacancy rate of 2006. Overall, rental vacancy rates in Douglas County—consistent with surrounding areas—have dropped since 2003. The dropping vacancies suggest that the rental market is tightening, meaning it is becoming more difficult to find an appropriate apartment to rent.

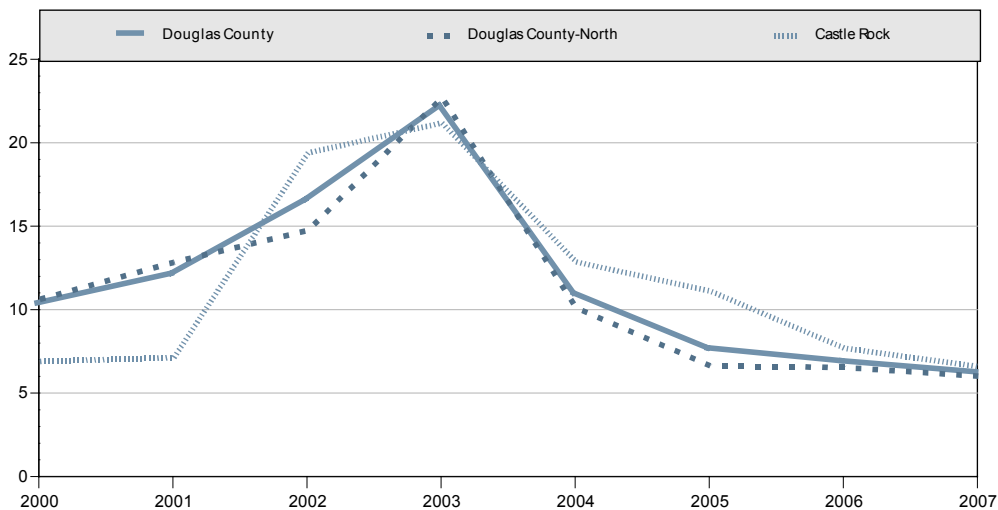
Apartment vacancies were high in 2002 and 2003 on the heels of the building surge of apartments in 2001. This was also the time when many residents purchased homes and moved out of rental properties. Exhibits III.D-12 through III.D-13 show the eight-year trend in annual averages for apartment vacancies in Douglas County and its market areas, as provided by the Apartment Association of Metro Denver. Exhibit III.D-12 also shows vacancies by market area. The Douglas County-North market had the lowest vacancy rate at 6.08 percent in 2007 and Castle Rock area had the highest at 6.65 percent.

Exhibit III.D-12.
Annual Average Apartment Vacancy, Douglas County and Market Areas, 2000 to 2007

	2000	2001	2002	2003	2004	2005	2006	2007
Douglas County	10.30	12.08	16.50	22.13	10.90	7.60	6.83	6.18
Castle Rock	6.95	7.18	19.45	21.25	12.93	11.18	7.75	6.65
Douglas County-North	10.68	12.90	14.80	22.78	10.18	6.70	6.60	6.08

Source: Denver Metro Area Apartment Vacancy and Rent Survey, Fourth Quarter 2007

Exhibit III.D-13.
Annual Average Apartment Vacancy, Douglas County and Market Areas, 2000 to 2007

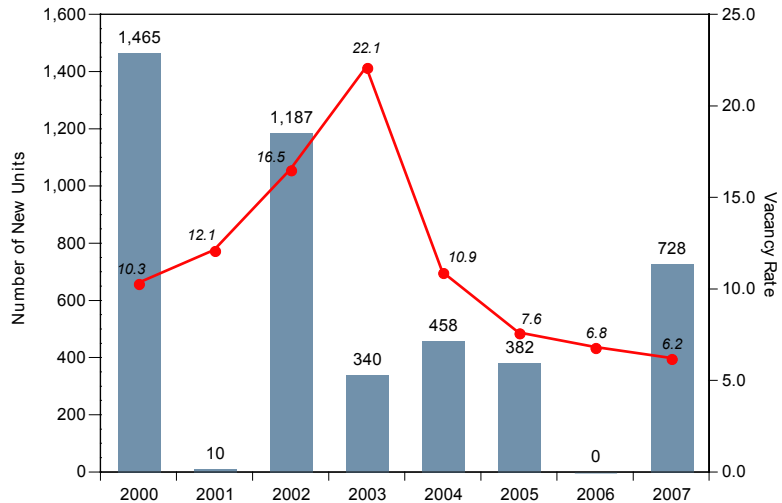


Source: Denver Metro Area Apartment Vacancy and Rent Survey, Fourth Quarter 2007

What types of units are in demand? The Douglas County apartment market experienced a supply increase in rental units in 2000 and 2002, when over 1,000 units were added to the market. Vacancies rates spiked in 2003, meaning that the supply of rental units exceeded demand. Exhibit III.D-14 on the following page displays new apartment units added between 2000 and 2007.

Exhibit III.D-14.
Apartments Added,
Douglas County Market
Areas, 2000 to 2007

Source:
Denver Metro Area Apartment Vacancy and
Rent Survey, Fourth Quarter 2007.

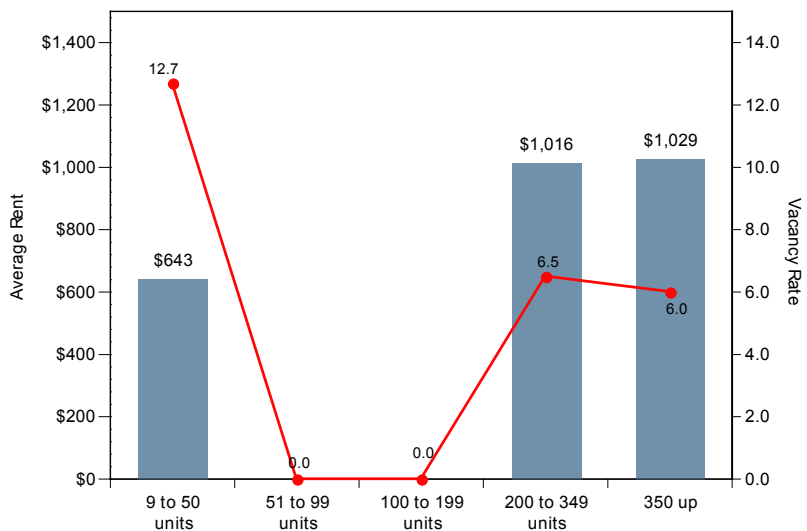


The next few graphs examine whether building size, rental rates, price per square foot, and age of the complex influence vacancy rates. In general, larger units—also the most expensive units—have the highest vacancy rates. It should be noted that data are not available for all categories of apartments.

Exhibit III.D-15 presents vacancy rates and average rent by building size for all of 2007.

Exhibit III.D-15.
Rental Vacancy Rates and
Average Rent by Building
Size, Douglas County, 2007

Source:
Denver Metro Area Apartment Vacancy and
Rent Survey, Fourth Quarter 2007.



Overall, vacancies were lowest for efficiencies (2.1 percent) and one bedroom (4.5 percent) units, which had average rents of \$706 and \$877 in 2007, respectively.

**Exhibit III.D-16.
Rental Vacancy Rates and
Average Rent by Type of
Apartment, Douglas
County, 2007**

Source:
Denver Metro Area Apartment Vacancy and
Rent Survey, Fourth Quarter 2007.

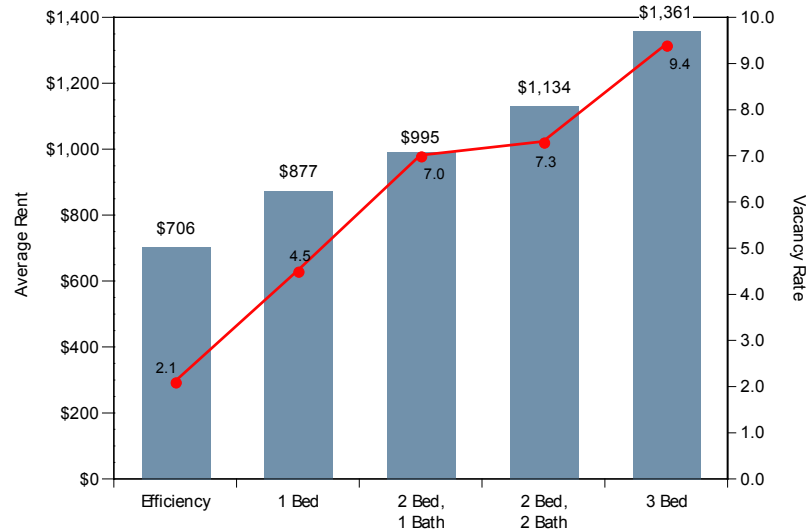


Exhibit III.D-17 shows vacancy rates and average price per square foot by apartment size for 2007. Apartments with 1,000 square feet and above have the highest vacancy rate in Douglas County. Often, those apartments are either two or three bedroom units, potentially with two bathrooms.

**Exhibit III.D-17.
Rental Vacancy Rates and
Rent per Square Foot by
Apartment Size, Douglas
County, 2007**

Source:
Denver Metro Area Apartment Vacancy and
Rent Survey, Fourth Quarter 2007.

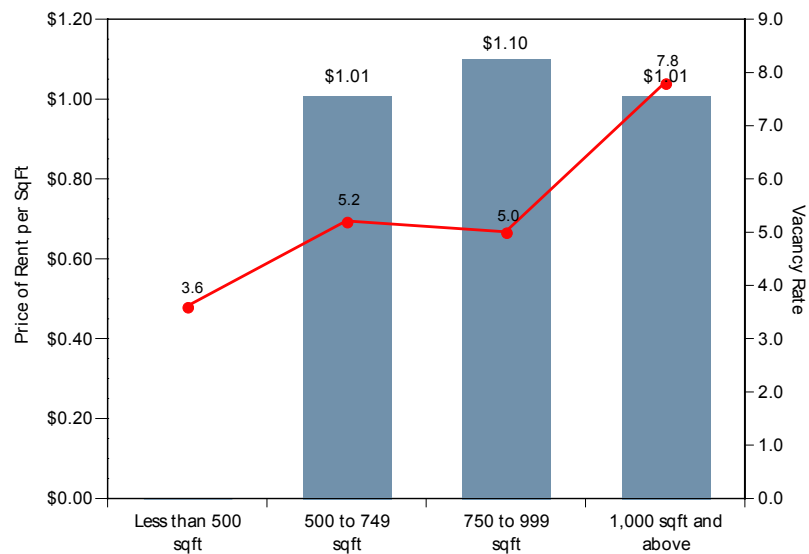


Exhibit III.D-18 shows vacancies and average rent by the age of the building.

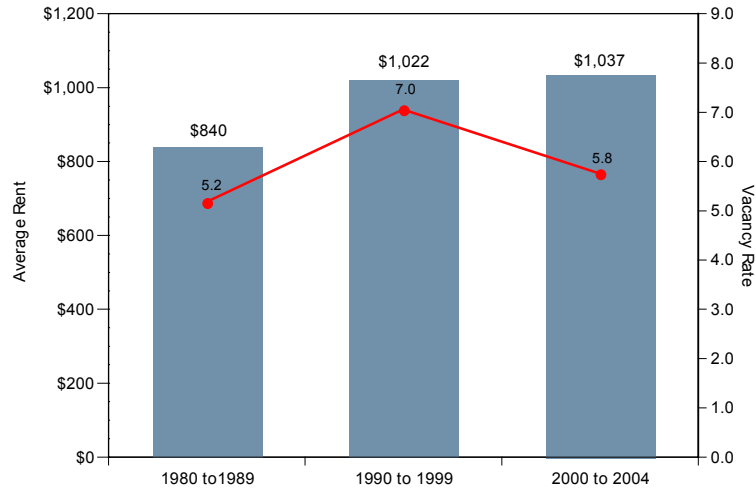
**Exhibit III.D-18.
Rental Vacancy Rates and
Average Rent by Building
Age, Douglas County,
2007**

Notes:

No data was available for units built prior to 1980 and 2005 and after.

Source:

Denver Metro Area Apartment Vacancy and Rent Survey, Fourth Quarter 2007.



What can renters get for their money in Douglas County? In the 2nd Quarter of 2008, the average price for an apartment in Douglas County, regardless of size or apartment type, was \$1,045.23. The average in all of 2007 for a Douglas County apartment was \$1,022.67. This is the highest average rental rate of the seven-county Denver region (\$856.24), as well as the average of Denver (\$858.80) and Arapahoe (\$812.48) Counties' rental rates.

According to the Metro Denver Vacancy and Rent Survey, the median rent was \$1,009.32 in the 2nd Quarter of 2008 and the average median rent for the four quarters of 2007 was \$979.41.

The following exhibit shows the average rent for all units by market area in Douglas County for 2007. The North market area of the County had a higher average monthly rent (\$1,065) than the Castle Rock market area (\$864).

**Exhibit III.D-19.
Average Rent for All Units,
Douglas County Market Areas, 2007**

Source:

Denver Metro Area Apartment Vacancy and Rent Survey, Fourth Quarter 2007.

Average Rent	
Douglas County	\$1,023
Castle Rock	\$864
Douglas - North	\$1,065

Exhibit III.D-20 shows average rent costs in Douglas County overall and by the two market areas during 2007.

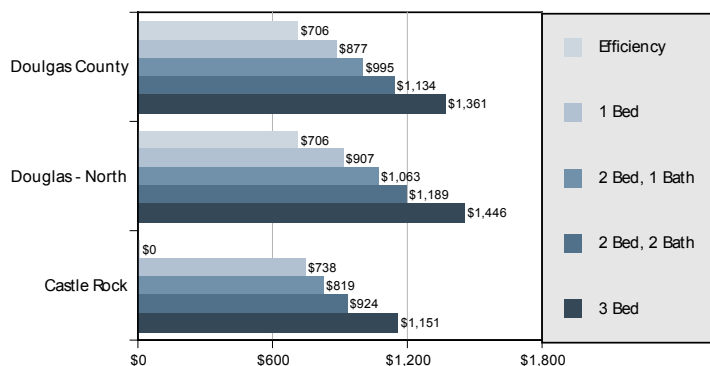
**Exhibit III.D-20.
Average Rent by Type, Douglas
County Market Areas, 2007**

Note:

The Castle Rock 2007 average for an efficiency unit did not include data due to the lack of efficiency units.

Source:

Denver Metro Area Apartment Vacancy and Rent Survey, Fourth Quarter 2007, and BBC Research & Consulting.

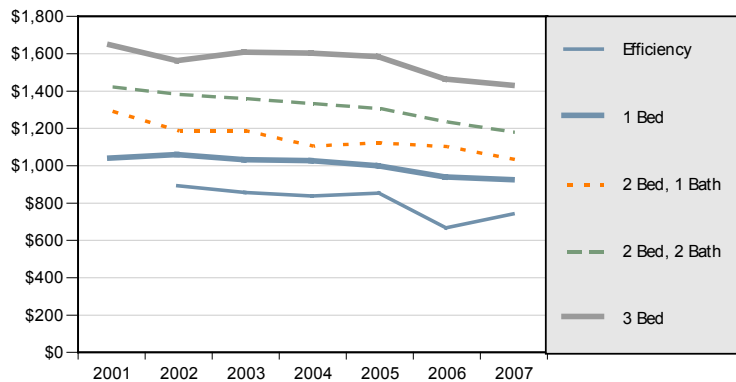


Rent prices have remained stable since 2001, as indicated in Exhibit III.D-21. After adjusting 2001-2007 average rental rates to 2008 dollars with the consumer price index (CPI), the overall rental rates have increased slower than inflation.

Exhibit III.D-21.
Six-year Trend in Rental Rates, Douglas County, 2001 to 2007

Note:
Dollar amounts adjusted to 2008 dollars using the consumer price index.

Source:
Denver Metro Area Apartment Vacancy and Rent Survey, Fourth Quarter 2007



Examining price per square foot also indicates that rental rates have not increased in Douglas County in the last few years, despite lower vacancy rates. After adjusting for inflation, all types of apartments were considered less expensive per square foot in 2007 than they were in 2001.

Exhibit III.D-22.
Average Price per Square Foot for Rental Units, Douglas County, 2001 to 2007

Note:
Dollar amounts adjusted to 2008 dollars using the consumer price index.

Source:
Denver Metro Area Apartment Vacancy and Rent Survey, Fourth Quarter 2007.

Year	Efficiency	1 Bed	2 Bed, 1 Bath	2 Bed, 2 Bath	3 Bed	All
2001		1.37	1.37	1.27	1.22	1.32
2002		1.34	1.24	1.22	1.17	1.25
2003		1.29	1.19	1.20	1.20	1.22
2004	1.51	1.28	1.16	1.18	1.19	1.23
2005	1.54	1.24	1.16	1.16	1.16	1.20
2006	1.21	1.17	1.15	1.11	1.09	1.14
2007	1.35	1.16	1.10	1.05	1.05	1.11

The 2000 U.S. Census reported a renter median household income of \$48,767 and a median gross rent of \$1,053. After adjusting for inflation to 2007 dollars with the CPI, the median household income in 2000 was \$58,719 and rent was \$1,268. The 2007 ACS reported a median renter household income of \$55,038 and a median gross rent of \$1,065. Thus, both median household income for renters and gross rents have decreased. According to Census, the median gross rent as a percentage of household income has stayed approximately the same during the last 17 years in Douglas County. The Census reported statistics of 24.8 percent in 2000 and 24.3 percent in 2007, for the ratio of median gross rent to household income.

Exhibit III.D-23 shows average and median rents by apartment size in the second quarter of 2008 and the proportion of renter households in Douglas County who could afford such rents without being cost burdened. In the housing industry, housing affordability is commonly defined in terms of the proportion of household income that is used to pay housing costs. Housing is “affordable” if no more than 30 percent of a household’s monthly income is needed for rent or mortgage payment, and utilities. When the proportion of household income needed to pay housing costs exceeds 30 percent, a household is considered “cost burdened.”

Over two-thirds of Douglas County's renters could afford the average-priced apartment without being cost burdened in 2008, leaving 33 percent of renters unable to afford the average Douglas County apartment. The data presented by median rent show similar results of affordability.

**Exhibit III.D-23.
Affordability of
Rental Units by
Size, Douglas
County, 2008**

Source:
Denver Metro Apartment Vacancy
and Rent Survey, Second Quarter
2008; U.S. Census Bureau's 2007
American Community Survey; and
BBC Research & Consulting.

	Average Rent	Percent of Renter Households Able to Afford Average Rent	Median Rent	Percent of Renter Households Able to Afford Median Rent
Douglas County	\$1,045	67%	\$1,009	69%
Efficiency	\$675	85%	\$663	86%
One bedroom	\$922	73%	\$859	76%
Two bed, one bath	\$954	71%	\$969	71%
Two bed, two bath	\$1,166	61%	\$1,169	61%
Three bedroom	\$1,368	51%	\$1,351	52%
Other	-	-	\$1,238	57%

For Sale Housing

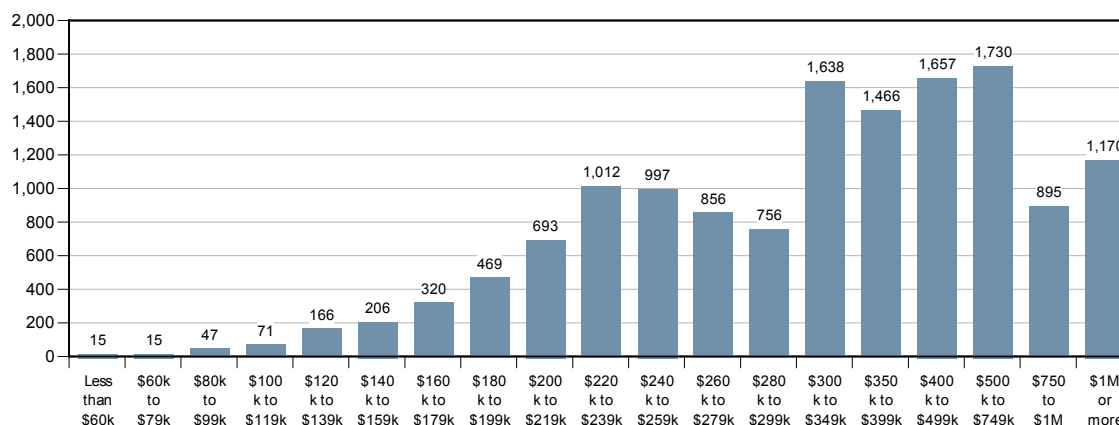
The 2007 Multiple Listing Service (or MLS, containing for sale property listings) listed 14,179 properties in Douglas County. Of those listings, 12,277 units (87 percent) were detached, single family units. The remaining 1,902 units were attached units, consisting of duplexes/triplexes (191), townhomes (888), and condominiums (823).

In 2007, the median price (list or sale price) of all units in Douglas County was \$345,000. Prices varied considerably by type of unit, however:

- The median list or sales price for a detached, single family home was \$372,900.
- The median price for single family attached units (duplexes and triplexes) was \$249,900.
- Condominiums (including townhomes) had a median price of \$199,000. Of those condominiums, the townhomes had a median price of \$219,900, and the remaining condominiums had a median price of \$169,990.

Exhibit III.D-24 shows the number of housing units sold in Douglas County during 2007 by asking or sold price. Just under half of the units sold were priced between \$300,000 and \$750,000, with other peaks in the number of units priced between \$220,000 and \$260,000, and also \$1 million or more.

**Exhibit III.D-24.
Distribution of Housing Units Sold or On the Market, Douglas County, 2007**

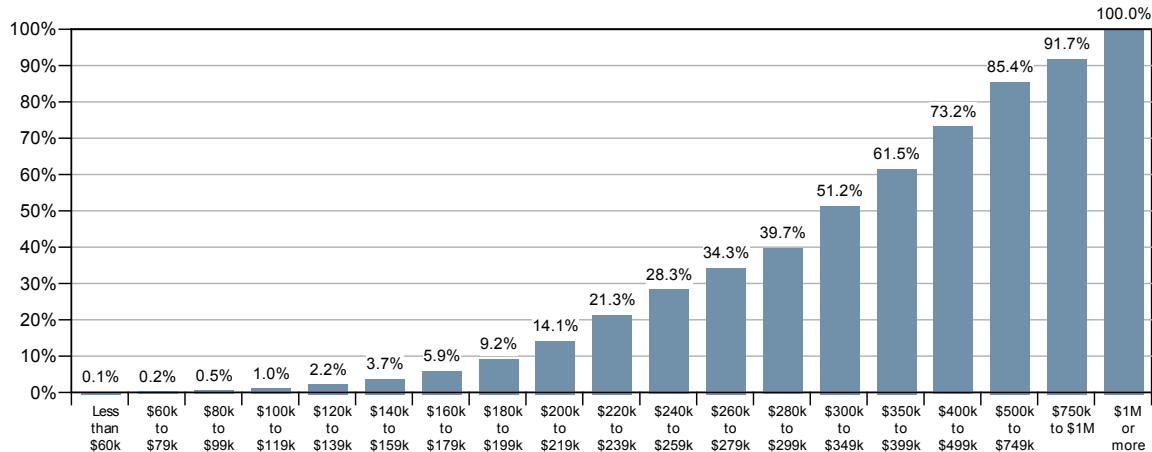


Source: The Genesis Group, Multiple Listing Service for Douglas County during 2007.

Fifty-one percent of units that were for sale in Douglas County in 2007 were less than \$350,000, while only 21 percent were less than \$240,000. Exhibit III.D-25 shows the cumulative distribution of for sale units in Douglas County during 2007.

Exhibit III.D-25.

Cumulative Price Distribution of Housing Units Sold or On the Market, Douglas County, 2007

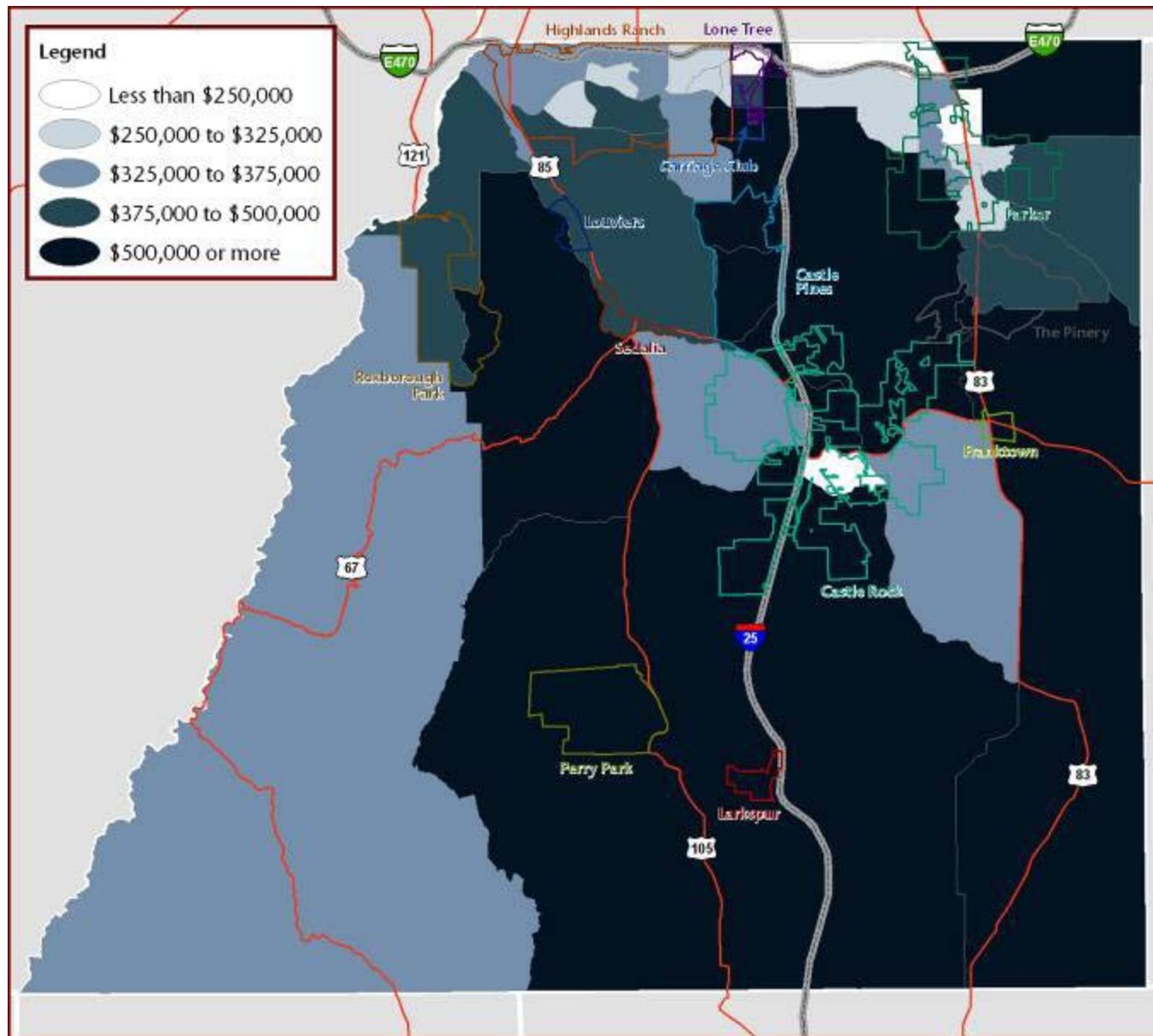


Source: The Genesis Group, Multiple Listing Service for Douglas County during 2007.

Home prices have increased by 15 percent since 2005, in which the median home price of a single family, detached unit in Douglas County was \$324,900. Median home prices for duplexes/triplexes and condominiums were \$245,000 and \$185,000, respectively. Single family detached homes have had the largest increase in the median price between 2005 and 2007, at \$48,000. In contrast, duplexes/triplexes have increased in median price by \$4,900.

Distribution of for sale homes. The average home price by Census Tract was calculated with the 2007 MLS listings. Census Tracts with higher median sales prices are scattered throughout the County. Tracts with home prices less than \$250,000 are located in Castle Rock, Parker, and along E-470. Exhibit III.D-26 maps the median MLS sales price in 2007 by Census Tract.

Exhibit III.D-26.
Average Home Prices by Census Tract for MLS Listings, Douglas County, 2007

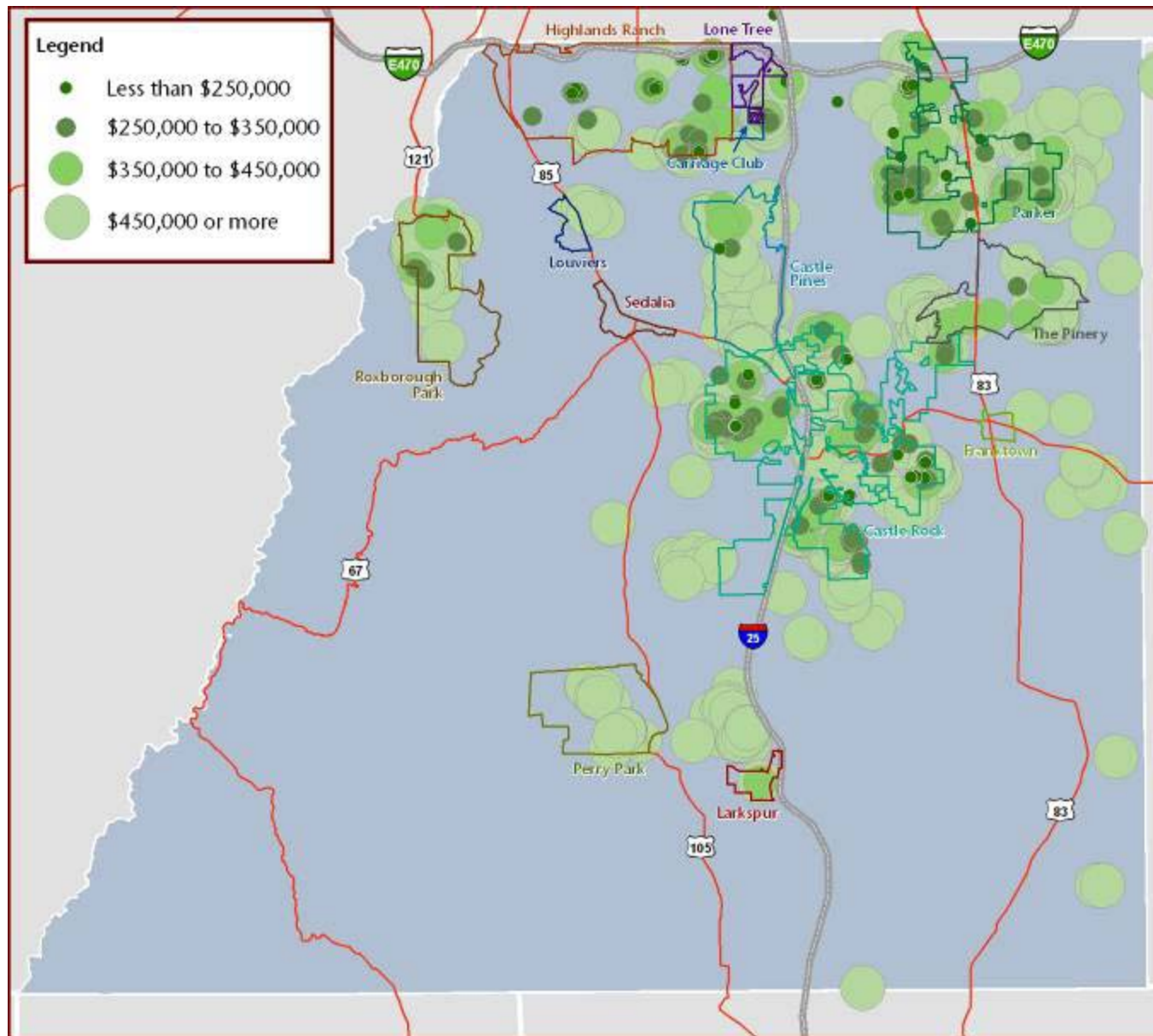


Source: The Genesis Group, Multiple Listing Service for Douglas County during 2007 and BBC Research & Consulting.

New construction. Newer homes in Douglas County have targeted higher income households. The median price of new construction products in 2007 was \$490,485, which is substantially higher than the total median price of \$345,000. Eighty-nine percent of the units listed in 2007 were existing homes. Eleven percent of homes were new construction products.

Much of the new housing stock above \$350,000 is scattered throughout the County. Exhibit III.D-27 spatially displays the price distribution of new construction homes for sale in 2007.

Exhibit III.D-27.
New Construction by Price for MLS Listings, Douglas County, 2007



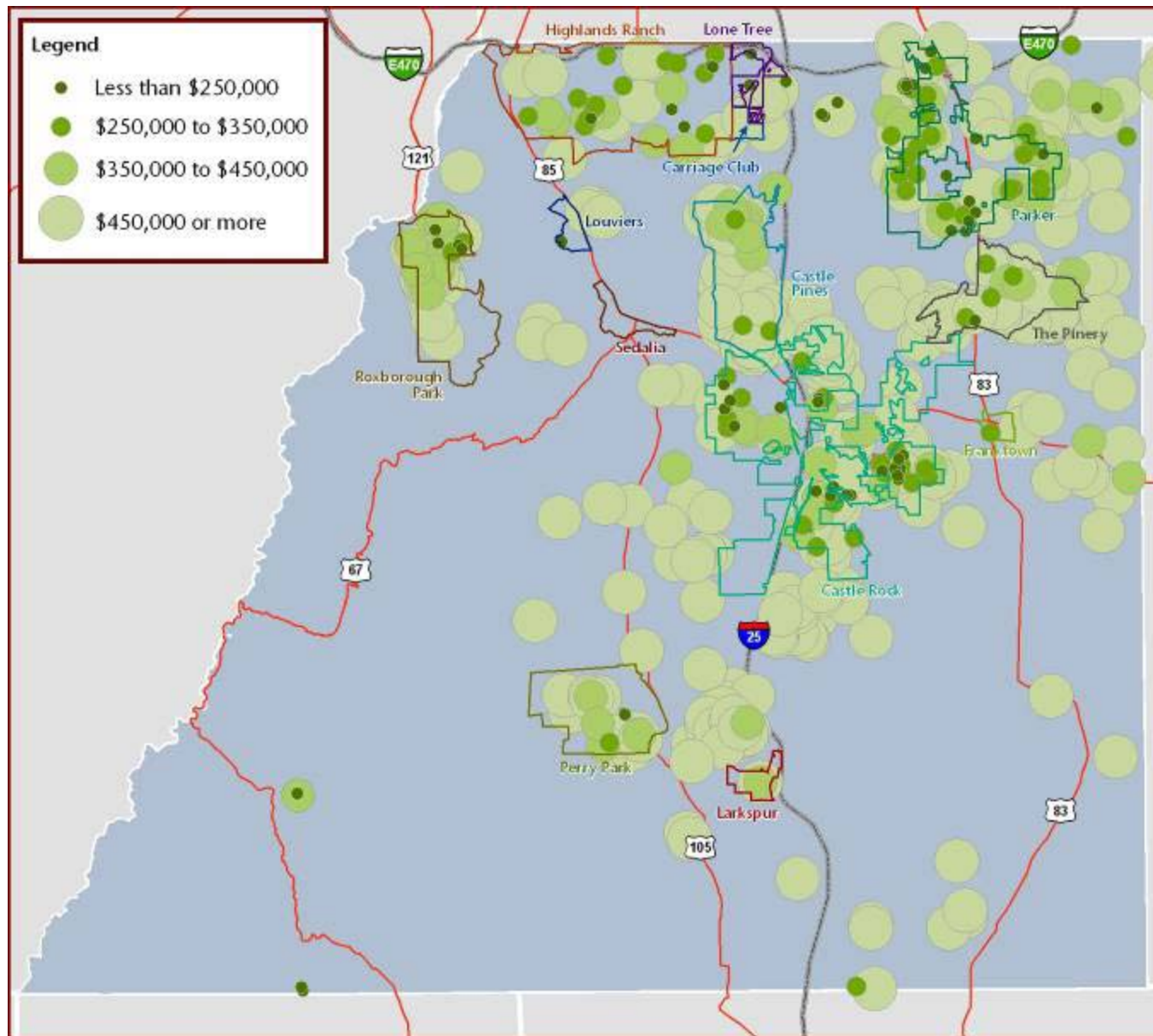
Source: The Genesis Group, Multiple Listing Service for Douglas County during 2007.

Time on the market. A unit staying on the market for a long period of time indicates a lack of demand for that type of unit and a potential saturation of a certain market segment. Of the properties listed in the 2007 Douglas County MLS, just six percent had been on the market for more than one year. Forty-one percent of the units on the market for more than one year were located in Castle Rock.

The median price for a home on the market for more than a year was \$675,000, which is \$330,000 more than the median average for the full 2007 MLS listing. The median age for homes on the market for more than one year was five years old. This is less than the median age for the total sample, which was eight years old.

Exhibit III.D-28 displays the price distribution of properties for sale in Douglas County in 2007 that had been on the market for more than one year.

Exhibit III.D-28.
Houses on the Market for Over One Year for MLS Listings, Douglas County, 2007

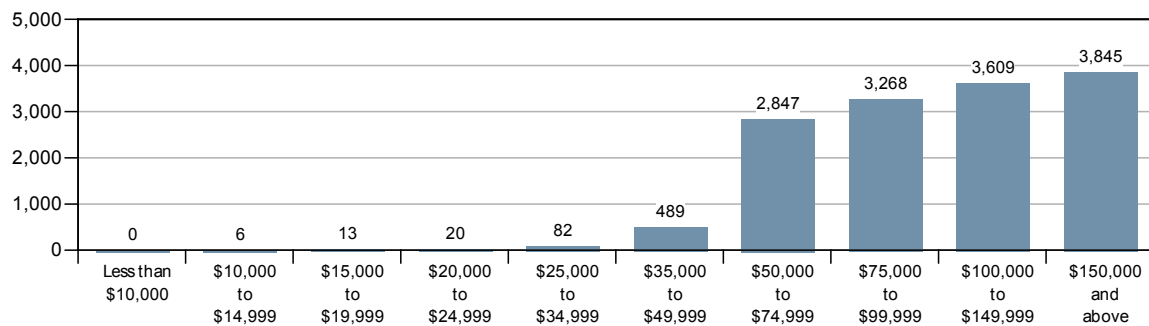


Source: The Genesis Group, Multiple Listing Service for Douglas County during 2007.

How easy is it to buy in Douglas County? Exhibit III.D-29 shows the number of units for sale in Douglas County in 2007 by the incomes at which they are affordable. Households making between \$50,000 and \$75,000 had 20 percent of the units fall into their affordable price range. It is important to note that households can afford homes in their affordability price range *in addition* to homes priced below that range. Thus, not only can households earning between \$50,000 and \$75,000 afford the 2,800 homes falling within their price range, but they could afford all homes priced beneath that threshold, as well. Thus, households earning between \$50,000 and \$75,000 could afford 24 percent of the housing stock available in Douglas County in 2007. As shown in the following exhibit, the majority of the homes are affordable to households in the upper income ranges.

Exhibit III.D-29.

Distribution of Housing Units Available to Buy by Income Range, Douglas County, 2007



Note: Mortgage loan terms are assumed as follows: 30 year fixed, 6.5 percent, five percent downpayment. The affordable mortgage payment is also adjusted to incorporate hazard insurance, property taxes and utilities.

Source: The Genesis Group, Multiple Listing Service for Douglas County during 2007 and BBC Research & Consulting.

Based on 2007 data, an estimated 12 percent of Douglas County's renters and 48 percent of current owners could afford to purchase the median priced, single family (detached and attached) home without being cost burdened. Approximately 48 percent of renters and 82 percent of current owners could afford to purchase the median priced, condominium (including townhomes) home without being cost burdened. Exhibit III.D-30 summarizes these data.

Exhibit III.D-30.

Affordability of Single Family Housing Stock, Douglas County, 2007

Note:

Mortgage loan terms are assumed as follows: 30 year fixed, 6.5 percent, five percent downpayment. The affordable mortgage payment is also adjusted to incorporate hazard insurance, property taxes and utilities.

Source:

The Genesis Group, Multiple Listing Service for Douglas County during 2007; U.S. Census Bureau's 2007 American Community Survey; and BBC Research & Consulting.

	Single Family	Multifamily
Median price of homes listed/sold	\$370,000	\$199,000
Income needed to afford median price	\$106,643	\$57,356
Number of renters who can afford to buy	1,932	8,043
Percent of renters who can afford to buy	12%	48%
Number of owners who can afford to buy	37,177	64,409
Percent of owners who can afford to buy	48%	82%

Exhibit III.D-31 examines affordability of units in 2007's MLS listings by income level. Seventy-one percent of multifamily product and 17 percent of single family product on the market in 2007 were priced for households earning between \$35,000 and \$75,000. In addition, given that the median home price for homes listed for more than one year was \$675,000, there appears to be an overabundance of homes available within this price point.

Exhibit III.D-31.

Affordability of Housing Stock For Sale by Income Category, Douglas County, 2007

Income Ranges		Maximum Affordable Price	Single Family			Multifamily		
Low	High		Number	Percent	Cumulative Percent	Number	Percent	Cumulative Percent
Less than \$10,000		\$33,304	0	0%	0%	0	0%	0%
\$10,000	\$14,999	\$49,958	0	0%	0%	6	0%	0%
\$15,000	\$19,999	\$66,612	1	0%	0%	12	1%	1%
\$20,000	\$24,999	\$83,266	1	0%	0%	19	1%	2%
\$25,000	\$34,999	\$116,573	8	0%	0%	74	4%	6%
\$35,000	\$49,999	\$166,534	65	1%	1%	424	25%	31%
\$50,000	\$74,999	\$249,803	2,059	17%	17%	788	46%	77%
\$75,000	\$99,999	\$333,072	2,994	24%	41%	274	16%	93%
\$100,000	\$149,999	\$499,610	3,503	28%	69%	106	6%	100%
Greater than \$150,000		More than \$499,610	3,837	31%	100%	8	0%	100%
Total			12,468	100%		1,711	100%	

Source: The Genesis Group, Multiple Listing Service for Douglas County during 2007; U.S. Census Bureau's 2007 American Community Survey; and BBC Research & Consulting.

Exhibit III.D-32 presents similar affordability data by income ranges based on AMI. HUD divides low- and moderate-income households into categories, based on their relationship to the AMI: extremely low-income (earning 30 percent or less of the AMI), very low-income (earning between 31 and 50 percent of the AMI), low-income (earning between 51 and 80 percent of the AMI) and moderate-income (earning between 81 and 95 percent of the AMI). The 2008 AMI for the seven-county Denver region was \$71,800.

Exhibit III.D-32.

Affordability of Housing Stock For Sale by Income Category, Douglas County, 2007

		Single Family			Multifamily		
		Number	Percent	Cumulative Percent	Number	Percent	Cumulative Percent
0 to 30% MFI	or less than \$21,540	1	0%	0%	20	1%	1%
31% to 50% MFI	or \$21,540 to \$35,900	10	0%	0%	107	6%	7%
51% to 80% MFI	or \$35,901 to \$57,440	264	2%	2%	659	39%	46%
81% to 95% MFI	or \$57,441 to \$68,210	944	8%	10%	346	20%	66%
96% to 120% MFI	or \$68,211 to \$86,160	2,394	19%	29%	355	21%	87%
121% to 150% MFI	or \$86,161 to \$107,700	2,233	18%	47%	157	9%	96%
>150% MFI	or \$107,701 or more	6,622	53%	100%	67	4%	100%

Source: The Genesis Group, Multiple Listing Service for Douglas County during 2007; U.S. Census Bureau's 2007 American Community Survey; U.S. Department of Housing & Urban Development; and BBC Research & Consulting.

Cost burden. The 2007 ACS provides estimates of cost burdened households and includes some information about the characteristics of households that experience cost burden. The Census data

estimate about 33 percent of the County’s renter households (or 5,427 renter households) and 30 percent of the County’s homeowners (or 23,182 households) were cost burdened in 2007. A subset of these cost burdened homeowners are “severely” cost burdened, paying 50 percent or more of their incomes for housing costs. Fifteen percent of renters (2,522 households) and nine percent of homeowners (7,061 households) were *severely* cost burdened.

**Exhibit III.D-33.
Cost Burdened Renter
and Owner Households,
Douglas County, 2007**

Note:

When calculating the percentage cost burdened, the number of housing units for which data were not computed was subtracted from the total number of units.

Source:

U.S. Census Bureau’s 2007 American Community Survey.

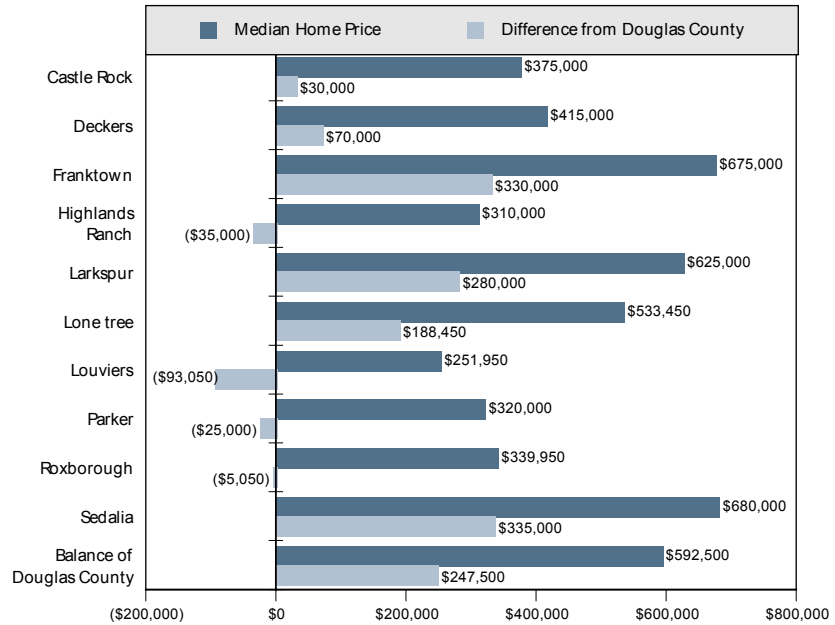
	Number	Percent
Renters	16,526	100%
Not cost burdened	11,099	67%
Cost burdened	5,427	33%
Severely cost burdened	2,522	15%
Owners	78,089	100%
Not cost burdened	54,907	70%
Cost burdened	23,182	30%
Severely cost burdened	7,061	9%
Total cost burdened	28,609	30%

Community affordability. Communities within Douglas County have carved out housing market niches, offering different types of housing stocks for residents. Sedalia’s and Franktown’s median home prices of \$680,000 and \$675,000, respectively, are \$335,000 to \$330,000 higher than the County’s overall average. It should be noted that despite their relatively high housing costs, these communities have target areas with lower income households. The high median price overall results from the new, high end developments on the outer portions of these smaller communities that were for sale in 2007.

Castle Rock, Parker, and Highlands Ranch had a substantial for sale stock in 2007, revealing their high rates of growth. Castle Rock’s multifamily stock appears to be homogenous, following closely with County median prices. However, their single family stock had a median price of \$400,000, which was \$30,000 higher than the County’s single family median. Parker’s stock is similar to Castle Rock, with a lower priced multifamily housing stock. Sedalia and Franktown houses Douglas County’s large lot, single family, detached homes. Deckers’ homes are more expensive than the median in Douglas County, and they are also older, as homes on the market in 2007 in Deckers averaged 25 years old. Louviers, Highlands Ranch, Parker and Roxborough all offer the most affordable housing options in Douglas County. Exhibit III.D-34 displays median home prices by community, as well as a comparison of community median home prices to the County’s median average. Exhibit III.D-35 displays the median prices for multifamily and single family units by community.

**Exhibit III.D-34.
Median Home Price by
Community Compared
to Douglas County,
2007**

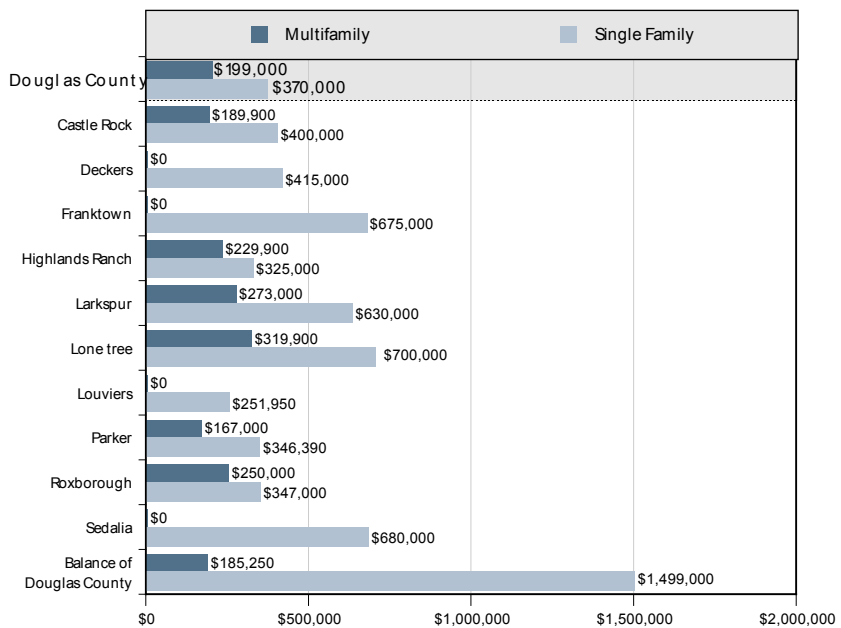
Source:
The Genesis Group, Multiple Listing
Service for Douglas County during
2007.



**Exhibit III.D-35.
Median Home Price
by Community for
Multifamily and Single
Family Units, Douglas
County, 2007**

Note:
Single family units include detached
and attached units and multifamily include
condominiums and townhomes.

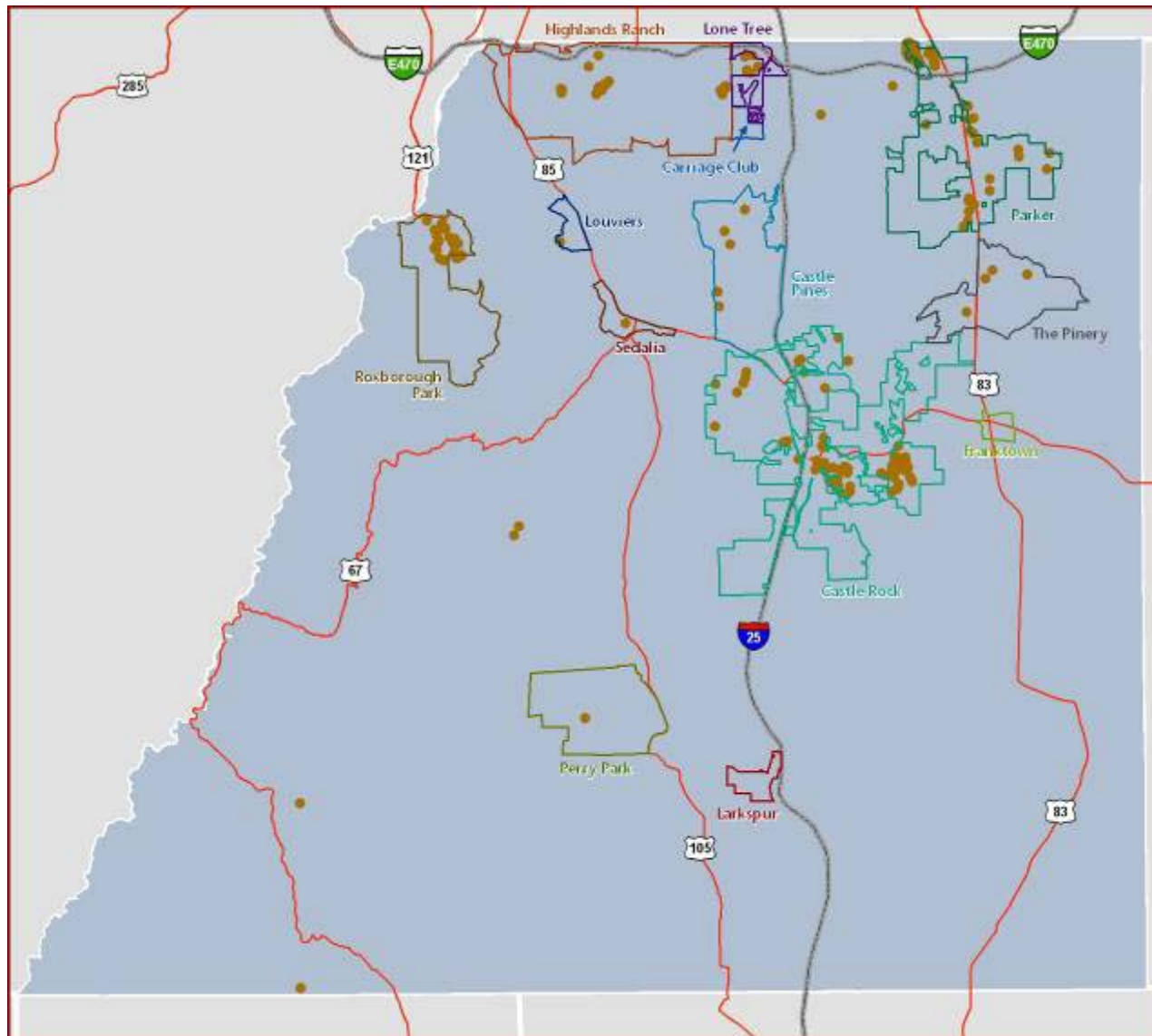
Source:
The Genesis Group, Multiple Listing
Service for Douglas County during
2007.



Location of housing by affordability. Exhibits III.D-36 through III.D-43 show where housing is located that is affordable for households falling in the following percentage of AMI: 50 to 80 percent, 80 to 120 percent, 120 to 150 percent, and 150 percent and more.

For single family housing, the most affordable units are located largely in Castle Rock, Highlands Ranch, and Parker. Conversely, the most expensive units are throughout the County. Affordable multifamily units are in Castle Rock, Highlands Ranch, and Parker. Very few attached units exist at the highest price level.

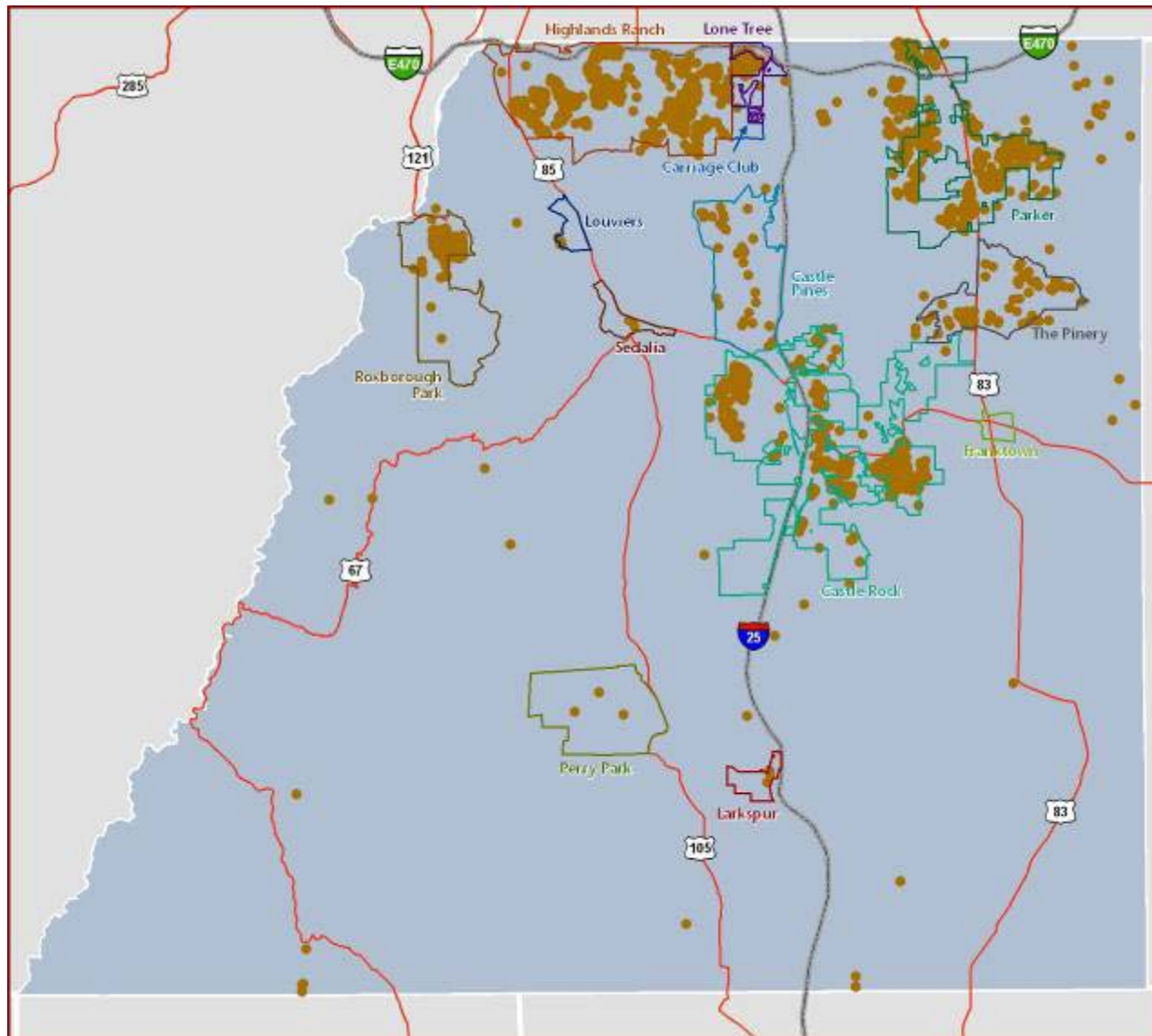
Exhibit III.D-36.
Location of Single Family Units Affordable to 50–80% AMI (\$35,901 to \$57,440), Douglas County, 2007



Note: Units are priced between \$119,575 to \$191,319

Source: The Genesis Group, Multiple Listing Service for Douglas County during 2007 and BBC Research & Consulting.

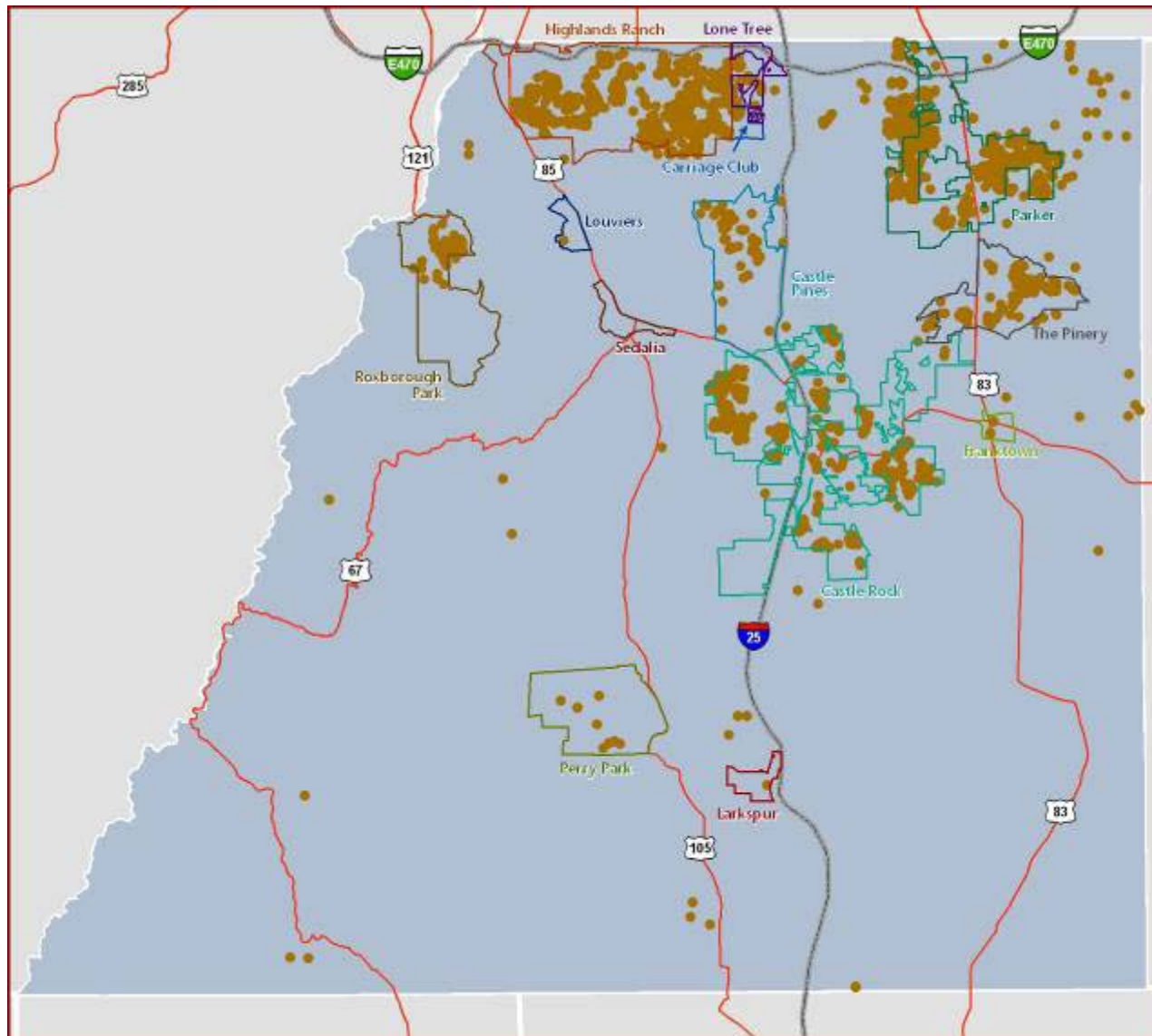
Exhibit III.D-37.
Location of Single Family Units Affordable to 80–120% AMI (\$57,441 to \$86,160), Douglas County, 2007



Note: Units are priced between \$191,320 to \$286,978.

Source: The Genesis Group, Multiple Listing Service for Douglas County during 2007 and BBC Research & Consulting.

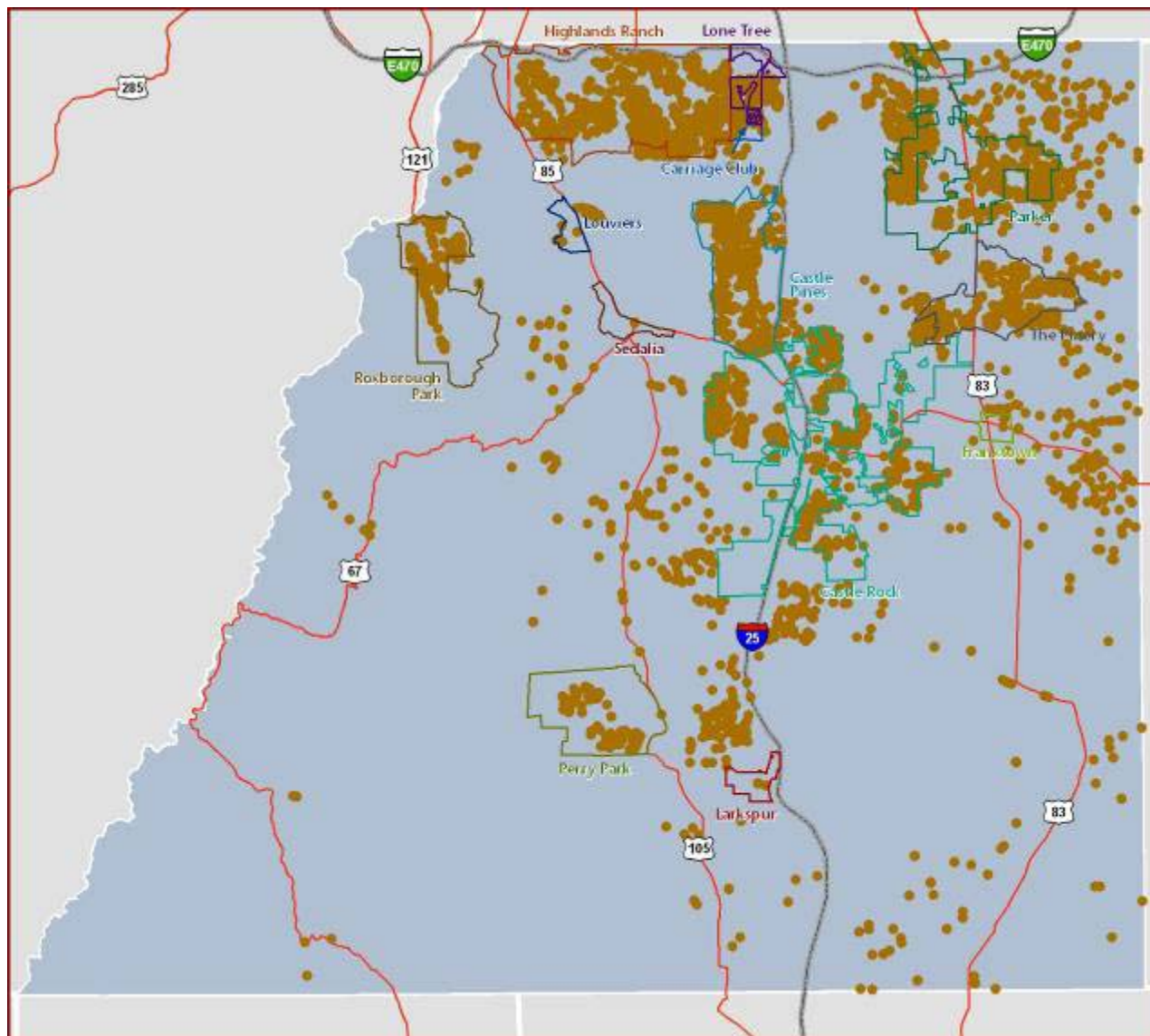
Exhibit III.D-38.
Location of Single Family Units Affordable to 120–150% AMI (\$86,161 to \$107,700), Douglas County, 2007



Note: Units are priced between \$286,979 to \$358,722.

Source: The Genesis Group, Multiple Listing Service for Douglas County during 2007 and BBC Research & Consulting.

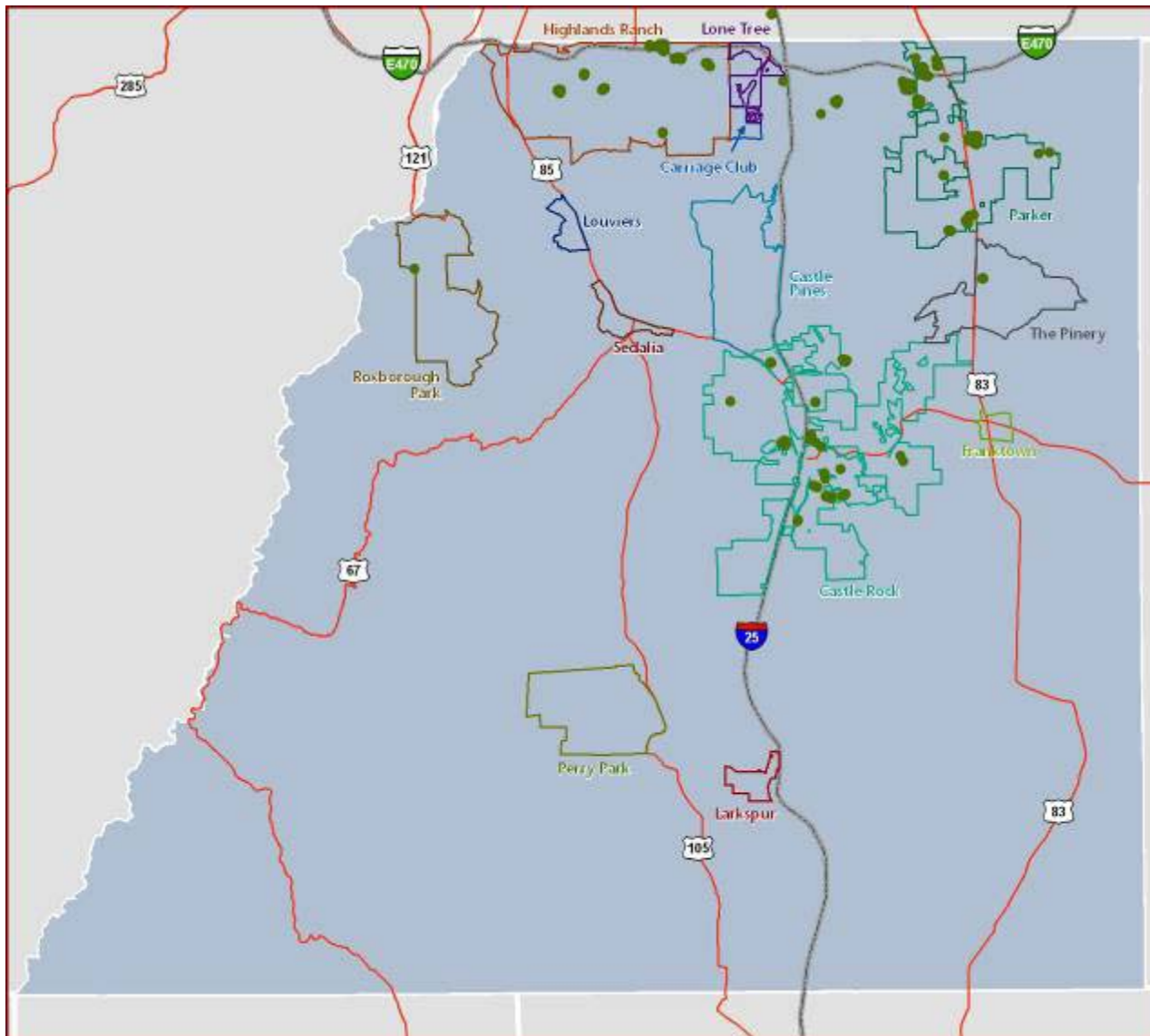
Exhibit III.D-39.
Location of Single Family Units Affordable to More Than 150% AMI (Greater than \$107,700), Douglas County, 2007



Note: Units are priced greater than \$358,722.

Source: The Genesis Group, Multiple Listing Service for Douglas County during 2007 and BBC Research & Consulting.

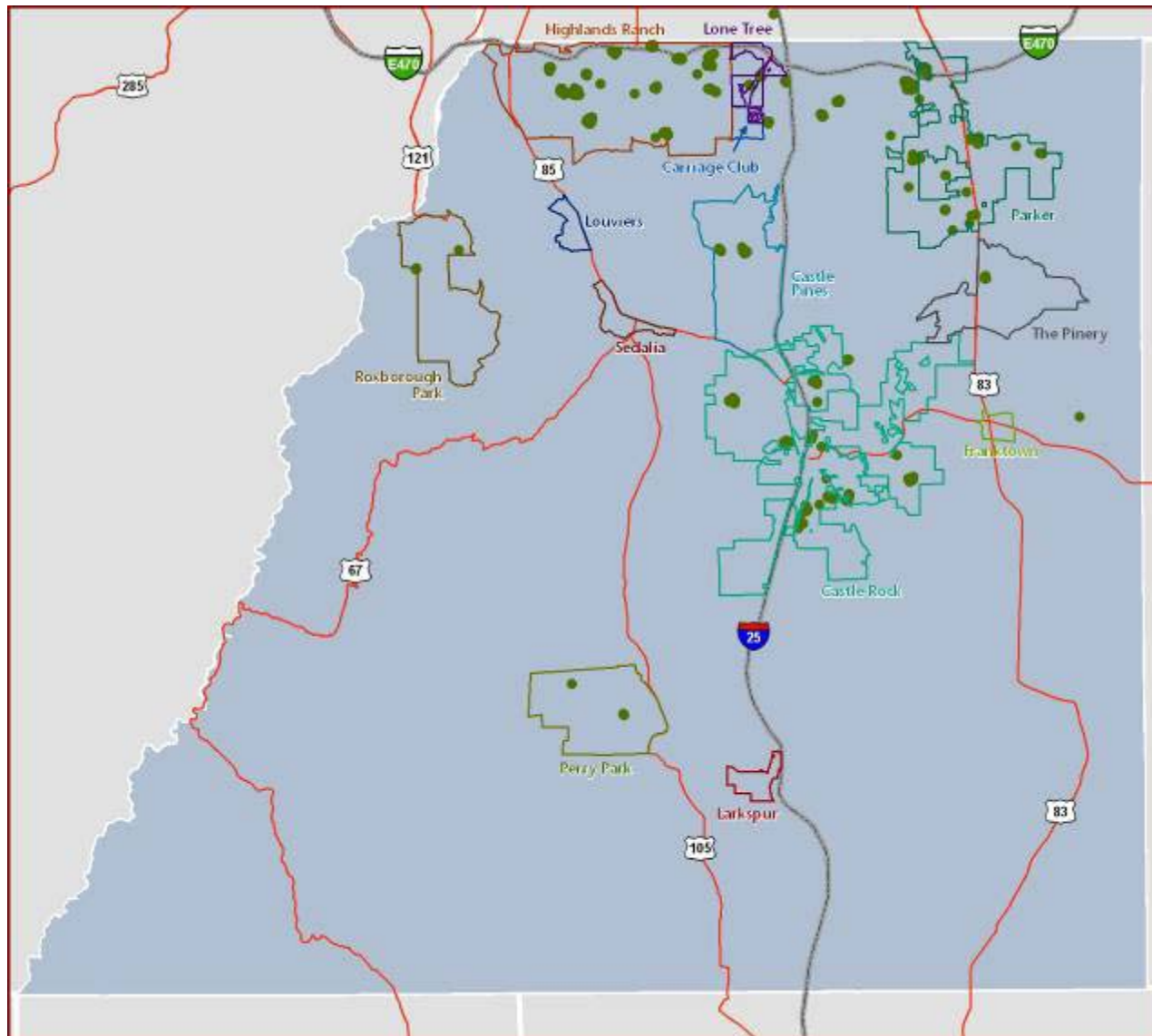
Exhibit III.D-40.
Location of Multifamily Units Affordable to 50–80% AMI (\$35,901 to \$57,440), Douglas County, 2007



Note: Units are priced between \$119,575 to \$191,319

Source: The Genesis Group, Multiple Listing Service for Douglas County during 2007 and BBC Research & Consulting.

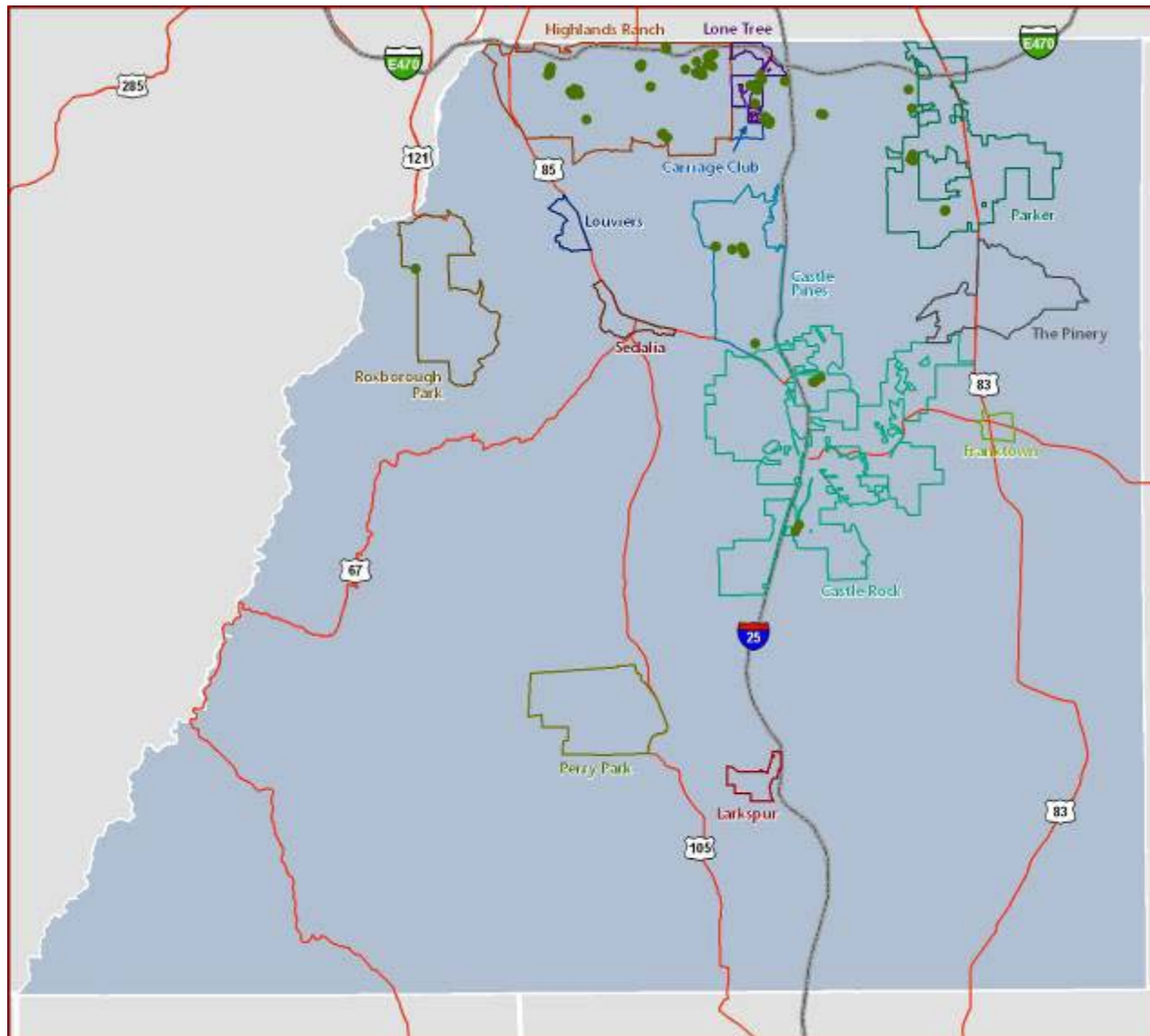
Exhibit III.D-41.
Location of Multifamily Units Affordable to 80–120% AMI (\$57,441 to \$86,160), Douglas County, 2007



Note: Units are priced between \$191,320 to \$286,978.

Source: The Genesis Group, Multiple Listing Service for Douglas County during 2007 and BBC Research & Consulting.

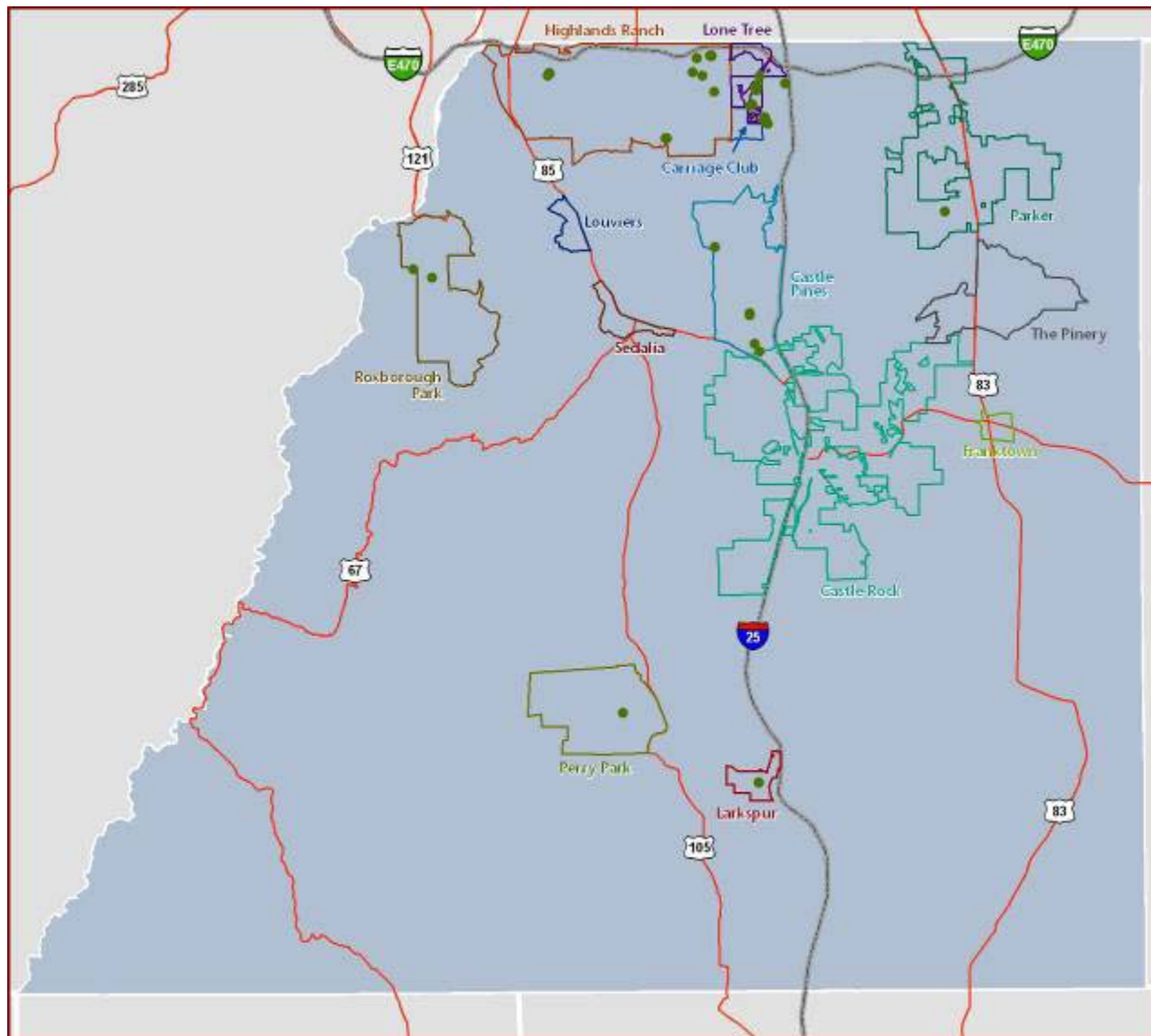
Exhibit III.D-42.
Location of Multifamily Units Affordable to 120–150% AMI (\$86,161 to \$107,700), Douglas County, 2007



Note: Units are priced between \$286,979 to \$358,722.

Source: The Genesis Group, Multiple Listing Service for Douglas County during 2007 and BBC Research & Consulting.

Exhibit III.D-43.
Location of Multifamily Units Affordable to
More Than 150% AMI (Greater than \$107,700), Douglas County, 2007



Note: Units are priced greater than \$358,722.

Source: The Genesis Group, Multiple Listing Service for Douglas County during 2007 and BBC Research & Consulting.

Special Topics of Interest in Douglas County

The Colorado Division of Housing provides quarterly foreclosure reports on Colorado and for its counties. The reports provide a picture of foreclosures in Colorado and help determine which regions of the state are most heavily impacted by foreclosures. The data is provided on a county-by-county basis and is based on foreclosure filings through the Public Trustee's office in each county.

The number of foreclosure filings has increased from 652 filings in 2003 to 2,180 filings in 2008 in Douglas County, a 234 percent increase.

Exhibit III.D-44. Foreclosure Filings and Foreclosure Sales, Douglas County, 2003 to 2008

Note:

Foreclosure sales data was not available for 2003 to 2005.

Source:

Colorado Division of Housing foreclosure reports.

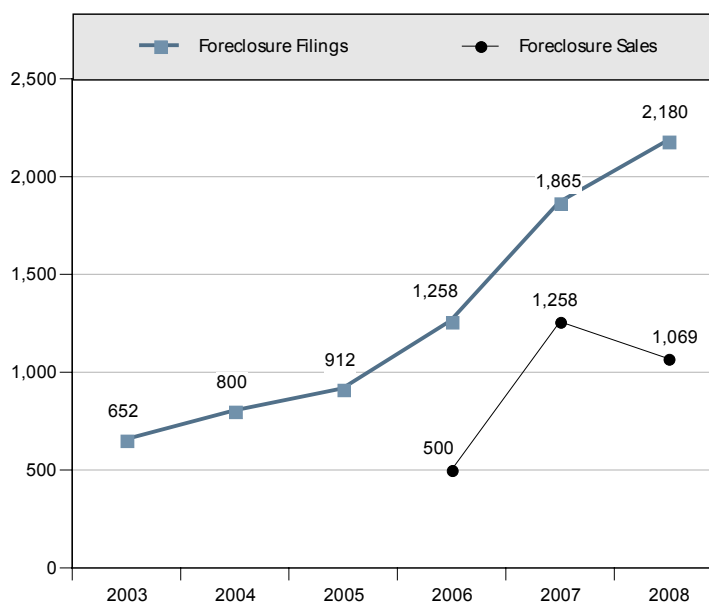


Exhibit III.D-45 shows the number of foreclosures per household during 2008 for the 10 counties in the state with the most foreclosure activity. During 2008, there was one foreclosure in Douglas County for every 89.5 homes. This is the ninth highest rate in the state (Adams has the highest rate at one foreclosure for each 43.5 homes).

Exhibit III.D-45. Number of Occupied Households per Completed Foreclosure, 2008

Note:

*Read: one foreclosure filing per N households.

Source:

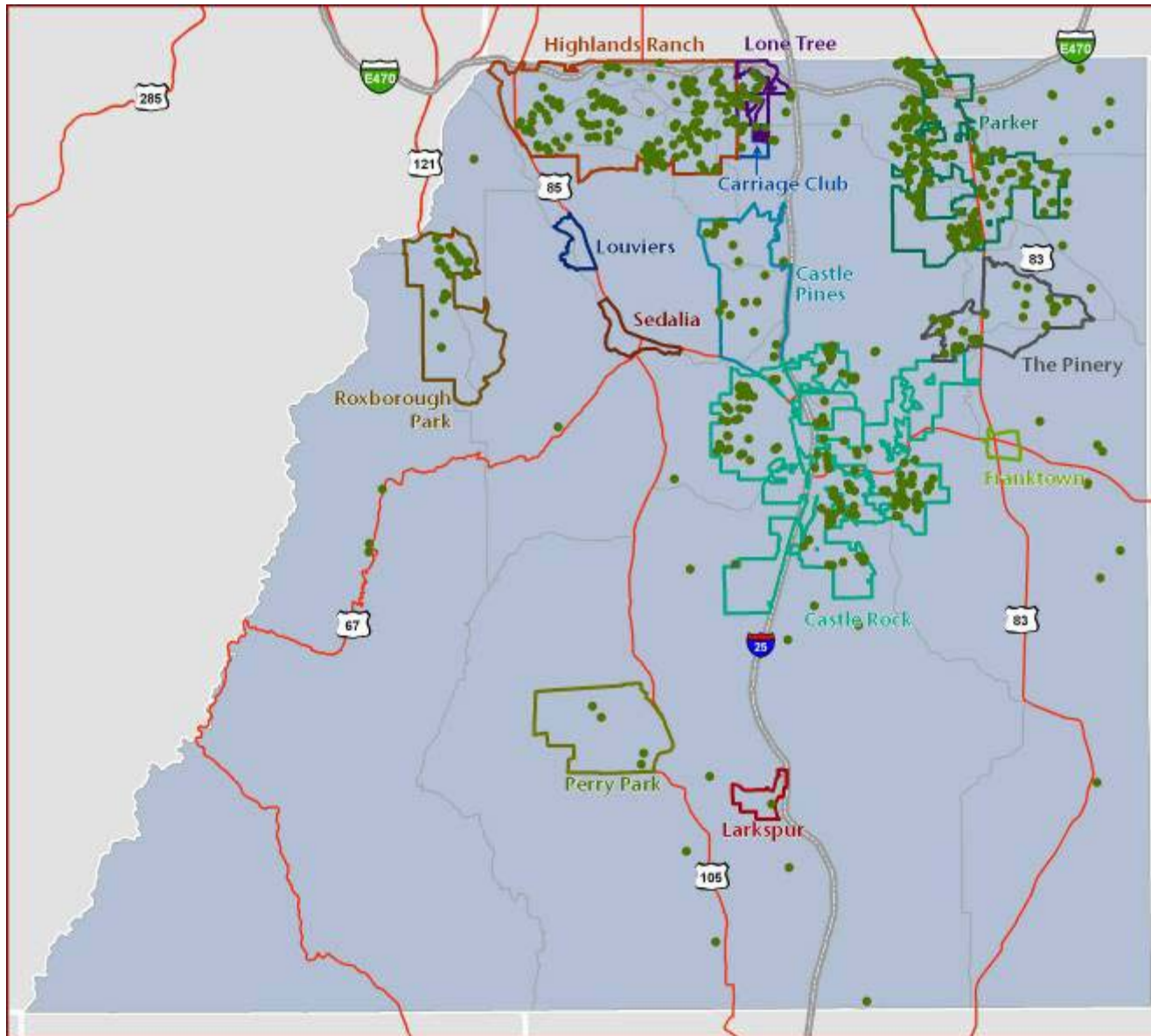
Colorado Division of Housing.

County	Occupied Households	County (cont'd)	Occupied Households
Adams	43.5	Elbert	64.9
Park	53.8	Teller	70.0
Weld	55.0	Pueblo	79.1
Denver	59.0	Douglas	89.5
Arapahoe	63.8	Clear Creek	90.0

Exhibit III.D-46 displays the number of properties with Notice of Election and Demand (NED) filings for 2008 by quarter. As demonstrated by the maps, foreclosure activity was highest in the County's more urban areas.

Exhibit III.D-46.

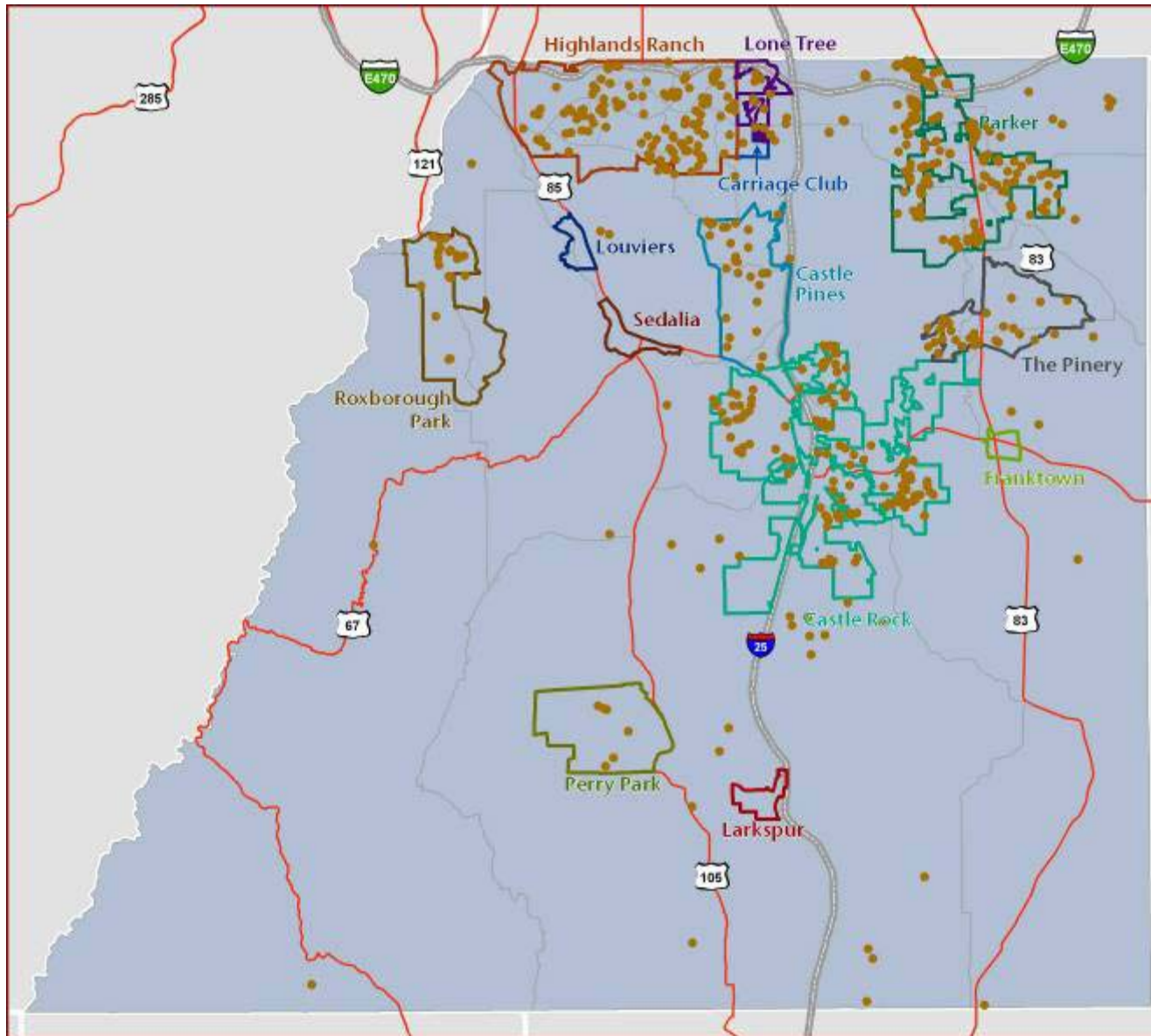
Number of Properties with Notice of Election and Demand (NED) Filings, Douglas County, First Quarter 2008



Source: Colorado Housing and Finance Authority.

Exhibit III.D-47.

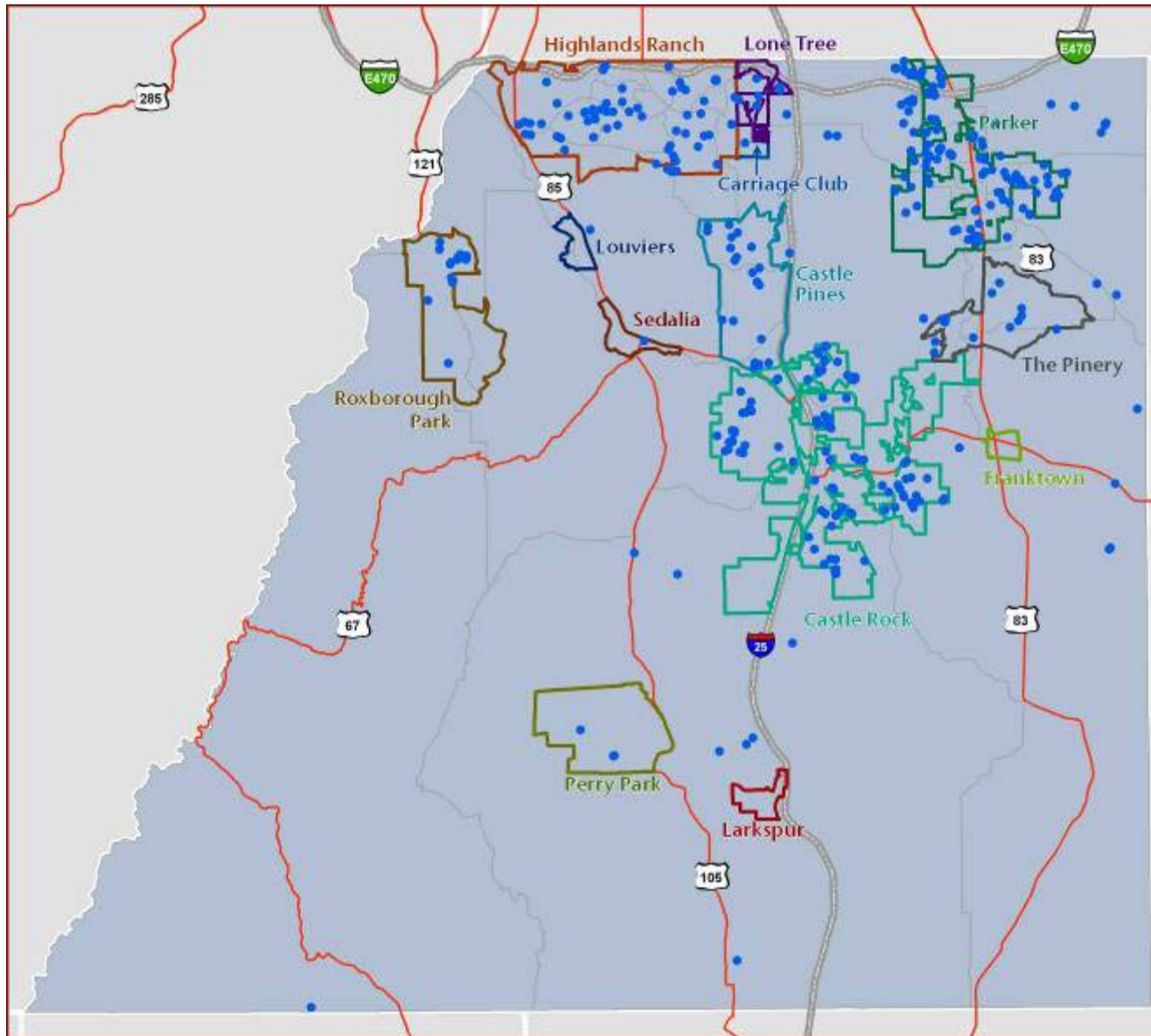
Number of Properties with Notice of Election and Demand (NED) Filings, Douglas County, Second Quarter 2008



Source: Colorado Housing and Finance Authority.

Exhibit III.D-48.

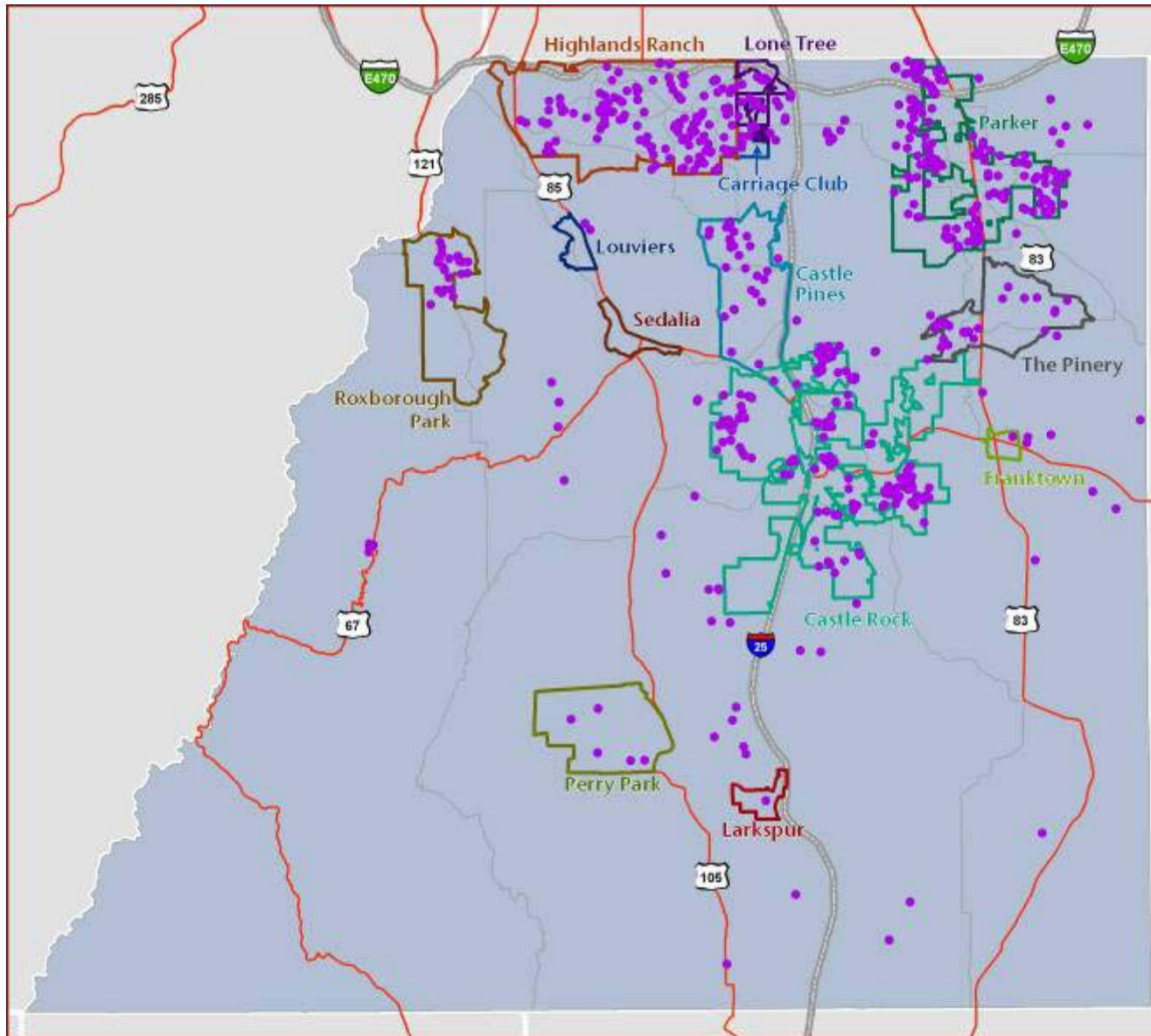
Number of Properties with Notice of Election and Demand (NED) Filings, Douglas County, Third Quarter 2008



Source: Colorado Housing and Finance Authority.

Exhibit III.D-49.

Number of Properties with Notice of Election and Demand (NED) Filings, Douglas County, Fourth Quarter 2008

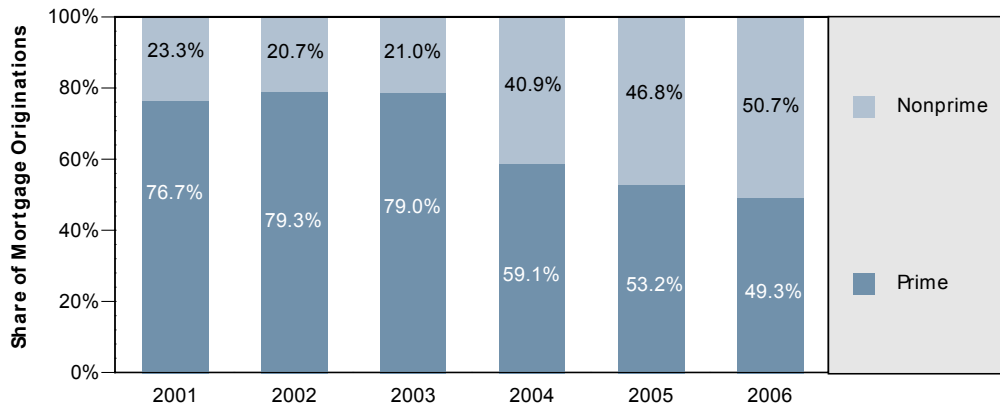


Source: Colorado Housing and Finance Authority.

Subprime lending. Subprime loans are—as the name would suggest—mortgage loans that carry higher interest rates than those priced for “prime,” or less risky, borrowers. Initially, subprime loans were marketed and sold to customers with blemished or limited credit histories who would not typically qualify for prime loans. In theory, the higher rate of interest charged for subprime loans reflects increased credit risk of subprime borrowers.

Estimates of the size of the national subprime market vary between 13 to 20 percent of all mortgages. In Colorado, about 24 percent of all 2006 mortgage loan transactions for owner-occupied properties were subprime. The subprime market grew dramatically during the current decade. The share of mortgage originations that had subprime rates in 2001 was 23.3 percent; by 2006, this had grown to 50.7 percent, as shown in Exhibit III.D-50.

Exhibit III.D-50.
Share of Mortgage Originations by Product, Douglas County, 2001 to 2006



Source: Harvard Joint Center for Housing Studies and Inside Mortgage Finance, 2007 Mortgage Market Statistical Annual, adjusted for inflation by the CPI-UX for All Items.

Not all subprime loans are predatory loans, but many predatory loans are subprime. A study released by the University of North Carolina, Kenan-Flagler Business School in 2005,⁵ discussed how predatory loan terms increase the risk of subprime mortgage foreclosure. The study reported in the fourth quarter of 2003, 2.13 percent of all subprime loans across the country entered foreclosure, which was more than ten times higher than the rate for all prime loans.

Subprime lending has fallen under increased scrutiny with the increase in foreclosures and the decline in the housing market. Some argue that because minorities are more likely to get subprime loans than white or Asian borrowers, and since subprime loans have a greater risk of going into foreclosure, minorities are disproportionately harmed by subprime lending.

⁵ Roberto G. Quercia, Michael A. Stegman and Walter R. Davis, “The Impact of Predatory Loan Terms on Subprime Foreclosures: The Special Case of Prepayment Penalties and Balloon Payments,” *Center for Community Capitalism, Kenan Institute for Private Enterprise, University of North Carolina at Chapel Hill*, January 25, 2005.

Subprime lending has implications under the Fair Housing Act when the loans are made in a discriminatory and/or predatory fashion. This might include charging minorities higher interest rates than what their creditworthiness would suggest and what similar non-minorities are charged; charging minorities higher fees than non-minorities; targeting subprime lending in minority-dominated neighborhoods; adding predatory terms to the loan; and including clauses in the loan of which the borrower is unaware (this is mostly likely to occur when English is a second language to the borrower).

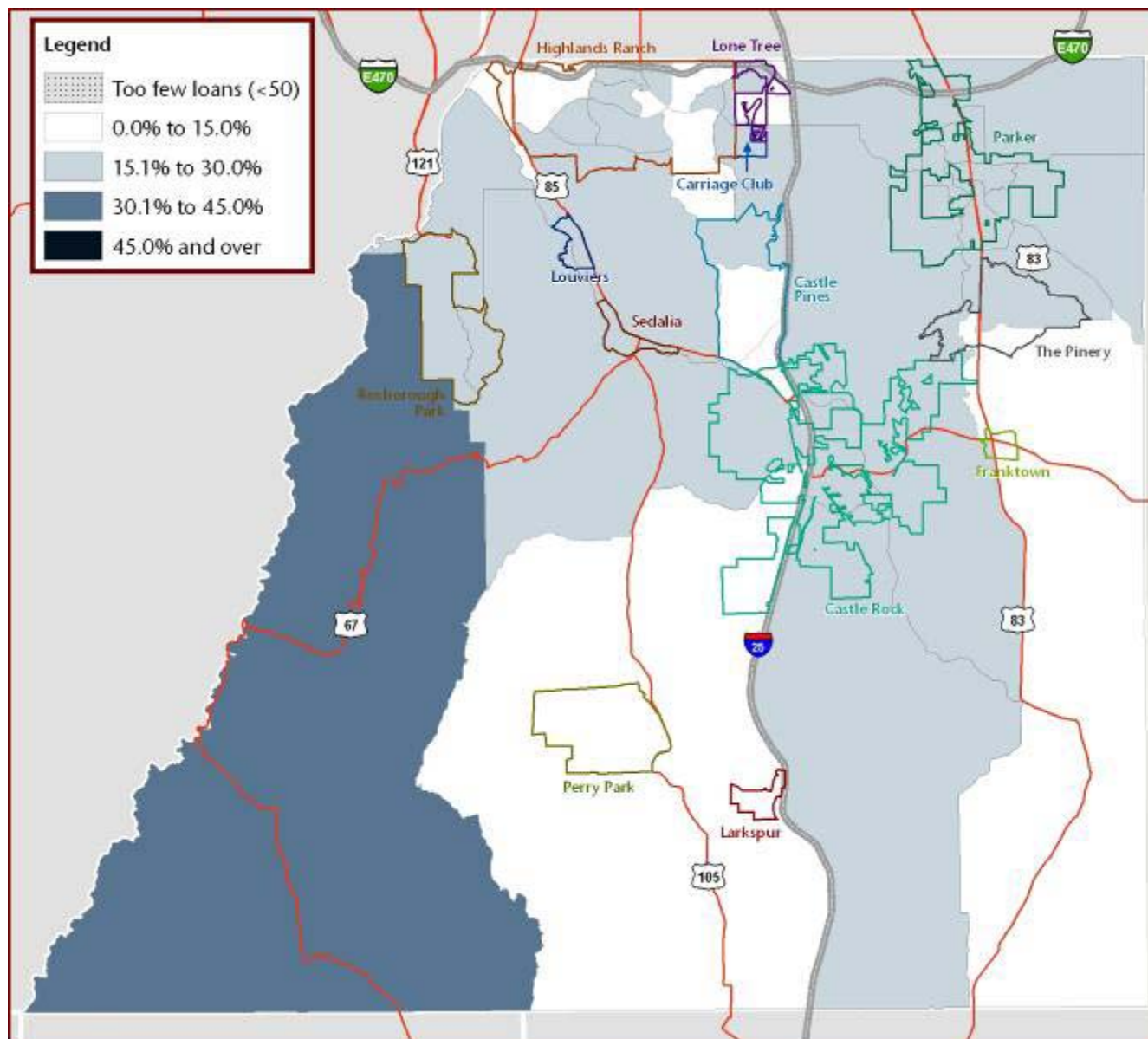
Subprime lending in Douglas County. In 2006, according to HMDA, there were 3,560 subprime loans made to residents of Douglas County⁶. These loans were all for home purchases or refinances on owner-occupied properties (i.e., no second homes or investment properties). Almost one percent of the loans (less than 200 loans) had very high interest rates, with annual percentage rates (APRs) exceeding 11 percent.

The subprime loans represented 17 percent of the 20,670 mortgage loans made to Douglas County residents in 2006. This proportion is lower than the statewide average of 24 percent.

Exhibit III.D-51 shows where subprime lending occurred in Douglas County in 2006. As the map demonstrates, the rural Census Tracts in southwestern portion of the County had the highest rate of subprime activity. This could be related to new developments; in other areas of the Denver metro area there is a correlation with subprime hot spots and areas where new development has occurred.

⁶ Subprime loans are defined as loans with Annual Percentage Rates (APRs) of more than three percentage points above comparable Treasury securities priced at the time the loan is made. This is consistent with the Federal Reserve definition when they began requiring APRs as part of HMDA reporting.

Exhibit III.D-51.
Percentage of All Loans that are Subprime, Douglas County, by Census Tract, 2006



Source: 2006 HMDA, Federal Financial Institutions Examination Council, BBC Research & Consulting.

Exhibit III.D-52 shows the disparities in subprime lending by race and ethnicity. As the exhibit demonstrates, residents who were white or Asian were much less likely to get a subprime loan in 2006 than residents who were Black/African American or Hispanic.

The “disparity index” shows how many more times non-whites are to get a subprime loan compared to whites.

**Exhibit III.D-52.
Subprime Loans by Race/Ethnicity,
as a Percentage of All Mortgage Loans,
Douglas County, 2006**

Source:
2006 HMDA, Federal Financial Institutions Examination Council and
BBC Research & Consulting.

Race/Ethnicity	Percent Subprime Loans	Disparity Index
White	17%	N/A
Black/African American	35%	2.08
Asian	13%	0.75
Hispanic/Latino	30%	1.78
All	17%	1.04

Predatory lending. There is no one definition that sums up the various activities that comprise predatory lending. In general, predatory loans are those in which borrowers are faced with payment structures and/or penalties that are excessive and which set up the borrowers to fail in making their required payments. Subprime loans could be considered as predatory if they do not accurately reflect a risk inherent in a particular borrower.

Although there is not a consistent definition of “predatory loans,” there is significant consensus as to the common loan terms that characterize predatory lending. There is also the likelihood that these loan features may not be predatory alone. It is more common that predatory loans contain a combination of the features described below.

Most legislation addressing predatory lending seeks to curb one or more of the following practices:

- Excessive fees;
- Prepayment penalties;
- Balloon payments;
- Debt packaging;
- Yield spread premiums;
- Unnecessary products; and
- Mandatory arbitration clause

It is difficult to identify and measure the amount of predatory lending activity in a market, largely because much of the industry is unregulated and the information is unavailable. For example, HMDA data do not contain information about loan terms. In addition, predatory activity is difficult to uncover until a borrower seeks help and/or recognizes a problem in their loan. As such, much of the existing information about predatory lending is anecdotal.

SECTION IV.D.—DOUGLAS COUNTY

Housing Affordability Analysis

This section of the report describes the results of an analysis of affordability for renter- and owner-occupied housing in Douglas County, and presents the greatest housing needs, as identified through this analysis.

Summary

This section compares Douglas County's availability of rental and for-sale housing at different price levels by household income ranges. This exercise was conducted to examine:

- If rents are appropriate to meet the affordability needs of the County's renters;
- If renters can find housing to purchase that is affordable to them at their current income level; and
- The choices current owners have if they were to move within Douglas County.

The analysis found the following:

Rental needs. The rental market in Douglas County is tailored towards households earning between \$35,000 and \$75,000 in annual wages. Once households begin earning \$75,000, homeownership becomes more viable and many households become owners. Additionally, high-end rental units, such as those that exist in downtown Denver, are not widely available in Douglas County.

- A shortage of 1,670 units exists for Douglas County households earning less than \$35,000 and seeking apartments renting for \$225 to \$800 per month. This means that these households are cost burdened because they are renting units at higher rental rates than they can afford.
- The gap in affordable rental units is fairly even across income ranges and slightly larger for households earning between \$20,000 and \$25,000 (needing units with a maximum rent of \$757).
- Most affordable rental units are located in Castle Rock, away from the major employment centers in Douglas County.

Homeownership needs. Douglas County's median home price is \$345,000, \$140,000 higher than Arapahoe County's. Buying in Douglas County is more difficult than buying in Arapahoe County, and attached housing becomes the only affordable product for low to moderate income renters who want to be homeowners. Renters earning between \$35,000 and \$50,000 could afford to buy about one-third of attached units, but just one percent of the detached units in the County. The County has a sizable proportion of renters—47 percent—who make enough to buy attached units but are choosing to rent. These renters are delaying their purchase, perhaps because they cannot find units they want to buy in the market and/or uncertain about the housing market, unemployment and the economy in general.

Currently, the for-sale market is out of balance at the low end of the income spectrum; units are lacking for households earning less than \$50,000 who desire to become homeowners. There is also a slight gap in units for households earning between \$100,000 and \$150,000.

- In 2007, there were 12,468 single family residential units and 1,711 multifamily residential units on the market or sold in Douglas County. Renters earning less than \$50,000 per year were able to afford one percent of the single family homes and 31 percent of the multifamily units. In some cases, the sellers in the MLS were listed as banks or government entities, indicating foreclosure. Homes that are affordable to these renters were often multifamily units with less than 1,100 square feet.
- Current owners who earn less than \$50,000 would find it difficult to move within Douglas County's market and not be cost burdened, unless they have significant equity in their homes.
- Eighty-seven percent of Douglas County's homeowners earn above \$50,000. The housing market has been built to accommodate such households. Thus, these households would have little difficulty purchasing another affordable home within Douglas County.
- Households earning more than \$100,000, which currently comprise 44 percent of Douglas County's population, would not have much difficulty finding high-end homes if they are looking to upgrade within the County.

Methodology

The analysis in this section examines housing need across all income levels to identify mismatches in supply and demand for all households in Douglas County. It reports the results of a modeling effort called a "gaps analysis", which compares housing affordability for households at different income levels to the supply of housing units affordable at these income levels.

The analysis used the most recent comprehensive data, which includes the following:

- Household projections from the Colorado Department of Local Affairs (DOLA) and household income ranges from the 2006 American Community Survey (ACS);
- The Apartment Association of Metro Denver, 4th Quarter 2007 (4Q07) Vacancy and Rent Survey;
- Data on subsidized rental units from the Douglas County Housing Partnership and the Colorado Division of Housing; and
- Data on home resales from The Genesis Group-a consulting firm that maintains Metrolist data.

Defining affordability. Housing is "affordable" if no more than 30 percent of a household's monthly income is needed for rent or mortgage payments and utilities. When the proportion of household income needed to pay housing costs exceeds 30 percent, a household is considered cost burdened.

Housing programs generally focus on assisting lower-income populations. HUD divides low- and moderate-income households into categories, based on their relationship to the AMI: extremely low-income (earning 30 percent or less of the AMI), very low-income (earning between 31 and 50 percent of the AMI), low-income (earning between 51 and 80 percent of the AMI) and moderate-income (earning between 81 and 100 percent of the AMI). This section presents housing needs by both income range (e.g., \$25,000 to \$50,000) and AMI level.

Rental Affordability

The distribution of rental units by price for Douglas County was based on the 4Q07 Apartment Association Vacancy and Rent Survey, which captured 8,600 units. Because the survey does not capture all of the subsidized units in the County, we obtained data on the affordability of DCHP units and affordable units overall from DCHP.

A few assumptions were necessary to complete the rental distribution:

- The Apartment Association survey does not include detached, single family homes that are rented. However, the single family vacancy survey performed by Gordon Von Stroh for the Division of Housing reported a vacancy rate of 0.9 for single family homes for rent in Douglas County for the 4th quarter of 2007, and an average monthly rent of \$1,382. The survey did not present the number of units sampled to incorporate into the overall distribution of rental units in Douglas County. Therefore, for the purpose of this analysis, it is assumed that rental rates for these single family homes are similar to the rates represented by the survey sample. Single family home rents are likely to be slightly higher than rents for an apartment of the same size, as shown by the average monthly rental rate of \$1,382 compared to multifamily average rent of \$1,043 in the same quarter. If the gaps analysis is affected by this assumption, it would occur at the higher end of the rent scale. Hence, the gaps analysis may have overestimated the mismatch between rental units and higher-income renter households.
- Market-rate units rented to tenants with Section 8 vouchers were adjusted to reflect the Section 8 subsidy making these units more affordable.
- The vacancy rate for all rental units—market-rate and subsidized—was assumed to be 7.0 percent.

What can households afford? Exhibit IV.D-1 shows the affordability of rental housing by price range. Units are affordable if no more than 30 percent of a household's income is required to pay rent and utilities. For example, households earning less than \$10,000 per year could afford to pay a maximum of \$225 in rent each month (accounting for utility costs) to avoid being cost burdened.

**Exhibit IV.D-1.
Affordable Rents by Household Income
Range, Douglas County, 2007**

Note:

Rents are adjusted for utility expenses.

Source:

BBC Research & Consulting.

Income Ranges		Maximum Affordable Rent
Low	High	
\$0	\$9,999	\$ 225
\$10,000	\$14,999	325
\$15,000	\$19,999	450
\$20,000	\$24,999	575
\$25,000	\$34,999	800
\$35,000	\$49,999	1,175
\$50,000	\$74,999	1,800
\$75,000	\$99,999	2,400
\$100,000	\$149,999	3,650
\$150,000 or More		3,651 +

Exhibit IV.D-2 shows the estimated number of renter households in each income category in 2007, as well as with the number and proportion of rental units affordable to them.

**Exhibit IV.D-2.
Renter Households Compared to Rental Units by Income Ranges, Douglas County, 2007**

Income Ranges		Maximum Affordable Rent	Renters		Rental Units	
Low	High		Number	Percentage	Number	Percentage
\$0	\$9,999	\$ 225	420	2%	200	1%
\$10,000	\$14,999	325	452	3%	200	1%
\$15,000	\$19,999	450	433	2%	200	1%
\$20,000	\$24,999	575	853	5%	232	1%
\$25,000	\$34,999	800	2,157	12%	1,812	10%
\$35,000	\$49,999	1,175	3,205	18%	11,341	61%
\$50,000	\$74,999	1,800	5,096	29%	4,639	25%
\$75,000	\$99,999	2,400	2,555	15%	80	0%
\$100,000	\$149,999	3,650	1,548	9%	0	0%
\$150,000 or more		3,651 +	668	4%	0	0%
Total			17,387	100%	18,703	100%

Source: BBC Research & Consulting.

Rental mismatch summary. Exhibit IV.D-3 compares the supply of rental units to the number of renter households in each income category. The rental gap column identifies the shortages and excesses in the market—i.e., the rental unit mismatch. The gap analysis shows the following:

- In 2007, 420 renter households—two percent of all renter households in Douglas County—earned less than \$10,000 (this compares to 14 percent in Arapahoe County). These households could only afford to pay a maximum \$225 per month in rent without being cost burdened. Douglas County has approximately 200 units affordable to these renters and rental assistance vouchers—leaving a gap of 220 underserved households.
- In most communities, the rental gap is highest at the lowest income levels. In Douglas County, this is not so. Douglas County has relatively few low income renters, probably because there has never been much housing stock to serve them.
- Another 885 renter households (five percent) need apartments with rents of less than \$450 to avoid being cost burdened. These households earn between \$10,000 and \$20,000 per year. In 2007, these renters had approximately 400 affordable units and vouchers available to them, leaving a gap of 486 underserved households.
- Households earning between \$20,000 and \$35,000 were underserved by almost 970 units priced between \$450 and \$800 per month.
- The rental market in Douglas County has an abundance of units priced appropriately for households earning \$35,000 to \$49,999 per year. In some cases, households earning less than \$35,000 are renting these units and paying more than 30 percent of their incomes to reside in them. This may be a preference or a necessity, because affordable units are unavailable.
- The market is also lacking for households earning more than \$50,000 per year. The rental market has not been developed to accommodate for this price point, contrary to the for-sale housing market, which has much to offer in the attached market.

Exhibit IV.D-3.
Rental Gaps Analysis, Douglas County, 2007

Income Ranges		Maximum Affordable Rent	Renters		Rental Units		Rental Gap
Low	High		Number	Percentage	Number	Percentage	
\$0	\$9,999	\$ 225	420	2%	200	1%	(220)
\$10,000	\$14,999	325	452	3%	200	1%	(253)
\$15,000	\$19,999	450	433	2%	200	1%	(233)
\$20,000	\$24,999	575	853	5%	232	0%	(621)
\$25,000	\$34,999	800	2,157	12%	1,812	10%	(346)
\$35,000	\$49,999	1,175	3,205	18%	11,341	61%	8,136
\$50,000	\$74,999	1,800	5,096	29%	4,639	25%	(457)
\$75,000	\$99,999	2,400	2,555	15%	80	0%	(2,475)
\$100,000	\$149,999	3,650	1,548	9%	0	0%	(1,548)
\$150,000 or more		3,651	668	4%	0	0%	(668)

Source: BBC Research& Consulting.

Homeownership Affordability

This gaps analysis for the affordability of homes for sale was conducted to examine two facets of the for-sale:

- How easily renters at different income levels can afford to buy a home; and
- How easily current owners could afford to sell their current home and buy another home in Douglas County.

The distribution of for-sale units by price for Douglas County was based on 2007 listings and sales of homes on the market in Douglas County.

What can households afford? Exhibit IV.D-4 shows what households at different income levels could afford to buy by price range¹. Units are affordable if no more than 30 percent of a household's income is required to pay both the mortgage payment, including taxes and insurance, and utilities. For example, households earning less than \$10,000 per year could afford a home costing no more than \$33,304 (a tough price range within which to find a home).

Exhibit IV.D-4. Affordable Home Prices by Household Income Range, Douglas County, 2007

Source:
BBC Research & Consulting.

Income Ranges		Affordable price
Low	High	
\$0	\$9,999	\$33,304
\$10,000	\$14,999	\$49,958
\$15,000	\$19,999	\$66,612
\$20,000	\$24,999	\$83,266
\$25,000	\$34,999	\$116,573
\$35,000	\$49,999	\$166,534
\$50,000	\$74,999	\$249,803
\$75,000	\$99,999	\$333,072
\$100,000	\$149,999	\$499,610
\$150,000 or More		\$499,611

Median Home
Price: \$345,000

Renter/for-sale mismatch. Exhibit IV.D-5 shows the estimated number of renter households in each income category in 2007, along with the number and proportion of homes affordable to them at that time. This shows how the overall market is able to serve Douglas County renter households looking to buy, which is important, as renters in Douglas County are likely candidates to become Douglas County homebuyers.

A renter household, earning at least \$50,000, has a moderate amount of *multifamily* housing stock to purchase in the County. Households earning \$50,000 could buy 31 percent of the multifamily stock for sale in 2008, about 550 units from which to choose (but just one percent of the single family housing stock).

¹ Mortgage loan terms are assumed as 30-year fixed, 6.50 percent, five percent downpayment. The affordable mortgage payment is also adjusted to incorporate hazard insurance, and property taxes.

However, 43 percent of Douglas County renters earn less than \$50,000. For households earning less than \$25,000, virtually no single family and multifamily products are available at their affordability level. Households earning between \$25,000 and \$35,000 would most likely purchase from a limited number of multifamily units. Households earning between \$35,000 and \$50,000 could afford less than one-third of all multifamily units and just 1 percent of all single family units. The majority of the single family homes are affordable to households earning \$100,000 or more.

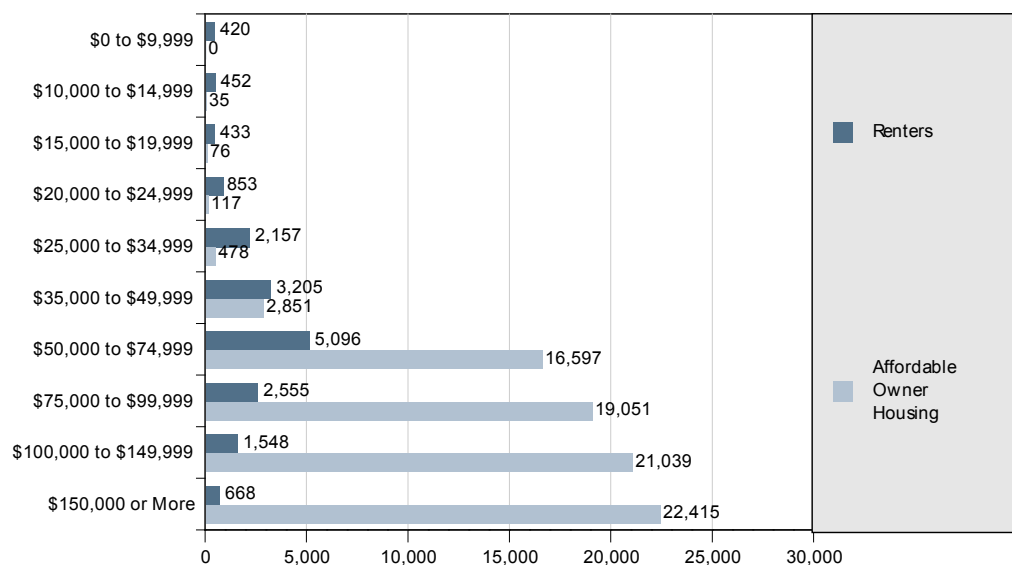
**Exhibit IV.D-5.
Comparison of Renters' Incomes to Affordable Ownership Housing, 2007**

Income Ranges		Max Affordable Price	Renters	Percentage	Affordable Multifamily Homes			Affordable Single Family Homes		
Low	High				Number	Percentage	Cumulative Percentage	Number	Percentage	Cumulative Percentage
\$0	\$9,999	\$ 33,304	420	2%	0	0%	0%	0	0%	0%
\$10,000	\$14,999	\$ 49,958	452	3%	6	0%	0%	0	0%	0%
\$15,000	\$19,999	\$ 66,612	433	2%	12	1%	1%	1	0%	0%
\$20,000	\$24,999	\$ 83,266	853	5%	19	1%	2%	1	0%	0%
\$25,000	\$34,999	\$ 116,573	2,157	12%	74	4%	6%	8	0%	0%
\$35,000	\$49,999	\$ 166,534	3,205	18%	424	25%	31%	65	1%	1%
\$50,000	\$74,999	\$ 249,803	5,096	29%	788	46%	77%	2,059	17%	17%
\$75,000	\$99,999	\$ 333,072	2,555	15%	274	16%	93%	2,994	24%	41%
\$100,000	\$149,999	\$ 499,610	1,548	9%	106	6%	100%	3,503	28%	69%
\$150,000 or More		\$ 499,611	668	4%	8	0%	100%	3,837	31%	100%

Source: BBC Research & Consulting.

Exhibit IV.D-6 shows how the renter population matches up with prices of all for-sale and currently occupied units, in Douglas County's owner-occupied housing market². This exhibit shows how easily renters at various income levels could find affordable homes to buy *if every home on the market were for sale*. Visually, the exhibit is a good demonstration of the value distribution of owner occupied housing.

**Exhibit IV.D-6.
Affordability of Ownership Market to Douglas County's Renters, 2007**



Note: "Affordable owner housing" represents the price distribution of all owner-occupied units if these units were to be available for sale to renters.

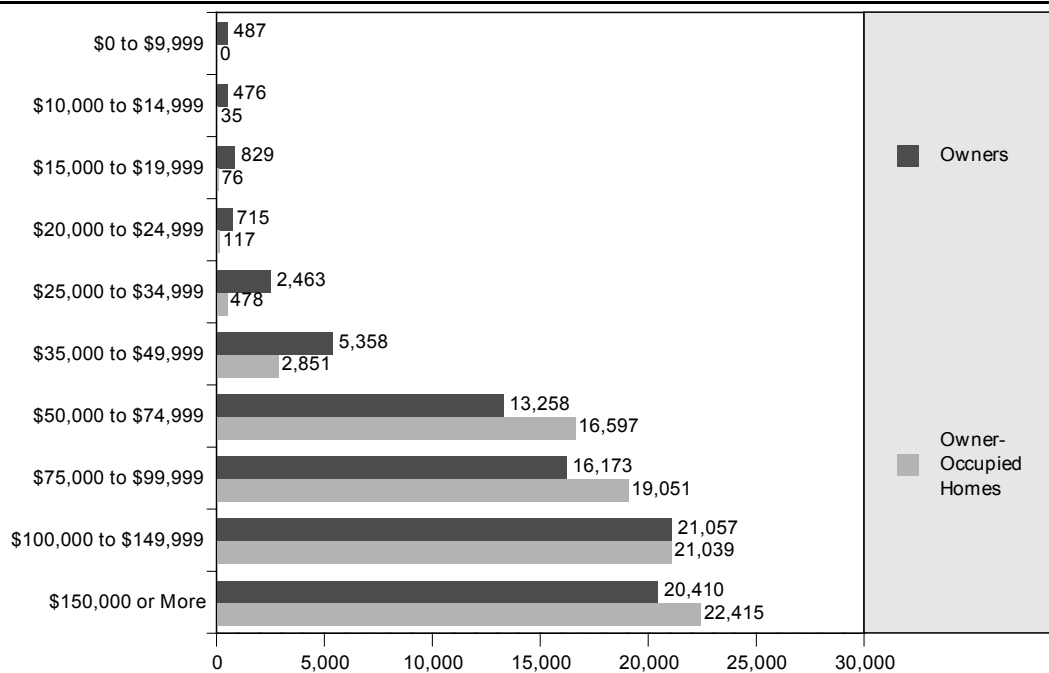
Source: BBC Research & Consulting.

² This assumes the for-sale market in 2007 was representative of the overall price distribution of owner-occupied housing.

Homeownership mismatch. Exhibit IV.D-7 (table and graph) shows how Douglas County's owner population matches up with prices of all units in the County's owner-occupied housing market. This analysis examines how easily current owners could move within Douglas County. Lower income homeowners have little choice in available housing stock. Households earning between \$50,000 and \$100,000 could move more easily if they desired/needed to.

**Exhibit IV.D-7.
Homeownership Gaps Analysis, Douglas County, 2007**

Income Ranges		Max Affordable Price	Owners	Percentage	Owner- Occupied Homes	Percentage	Ownership Gap
Low	High						
\$0	\$9,999	\$ 33,304	487	1%	0	0%	(487)
\$10,000	\$14,999	\$ 49,958	476	1%	35	0%	(441)
\$15,000	\$19,999	\$ 66,612	829	1%	76	0%	(753)
\$20,000	\$24,999	\$ 83,266	715	1%	117	0%	(598)
\$25,000	\$34,999	\$ 116,573	2,463	3%	478	1%	(1,985)
\$35,000	\$49,999	\$ 166,534	5,358	7%	2,851	3%	(2,507)
\$50,000	\$74,999	\$ 249,803	13,258	16%	16,597	20%	3,339
\$75,000	\$99,999	\$ 333,072	16,173	20%	19,051	23%	2,878
\$100,000	\$149,999	\$ 499,610	21,057	26%	21,039	25%	(19)
\$150,000 or More		\$ 499,611 +	20,410	25%	22,415	27%	2,004



Source: BBC Research & Consulting.

Mismatch by AMI. Exhibit IV.D-8 presents the gaps/mismatch analysis using the AMI categories for income ranges. It shows data for both rental and homeownership housing.

**Exhibit IV.D-8.
Gaps Analysis by AMI, Douglas County, 2007**

	Renters	Percentage	Rental Units	Percentage	Rental Gap
Area Median Income (AMI) = \$71,800	11,964		18,448		965
0-30% (0 to \$21,540)	1,568	9%	600	4%	(968)
31-50% (21,541 to \$35,900)	2,940	17%	4,105	21%	1,165
51-80% (\$35,901 to \$57,440)	4,529	26%	12,328	66%	7,799
81-95% (\$57,441 to \$68,210)	2,195	13%	1,303	7%	(892)
96-120% (\$68,211 to \$86,160)	2,524	15%	367	2%	(2,157)
121-150% (86,161 to \$107,700)	1,653	10%	0	0%	(1,653)
151% and above (more than \$107,700)	1,977	11%	0	0%	(1,977)
	Owners	Percentage	Ownership Units	Percentage	Ownership Gap
Area Median Income (AMI) = \$71,800	21,890		17,150		(4,739)
0-30% (0 to \$21,540)	2,012	2%	122	0%	(1,890)
31-50% (21,541 to \$35,900)	3,279	4%	682	1%	(2,597)
51-80% (\$35,901 to \$57,440)	8,982	11%	5,381	7%	(3,602)
81-95% (\$57,441 to \$68,210)	5,712	7%	7,520	9%	1,808
96-120% (\$68,211 to \$86,160)	10,820	13%	16,025	19%	5,205
121-150% (86,161 to \$107,700)	12,196	15%	13,933	17%	1,737
151% and above (more than \$107,700)	38,225	47%	38,994	47%	769

Source: BBC Research & Consulting.

Affordability by Community

Douglas County is comprised of a number of communities whose parts or entirety is confined by the County's borders. Each community has carved out a housing niche with which it serves the County's residents. Exhibit IV.D-9 displays median home prices for the incorporated municipalities in Douglas County.

Exhibit IV.D-9.
Median Re-sales of Multifamily and Single Family Housing by Municipality, Douglas County, 2007

	Total Median Price	Difference from Douglas County	Median Price Multifamily	Difference from Douglas County	Median Price Single Family	Difference from Douglas County
Douglas County	\$ 345,000		\$ 199,000		\$ 370,000	
Castle Rock	\$ 375,000	\$ 30,000	\$ 189,900	\$ (9,100)	\$ 400,000	\$ 30,000
Deckers	\$ 415,000	\$ 70,000	\$ -	NA	\$ 415,000	\$ 45,000
Franktown	\$ 675,000	\$ 330,000	\$ -	NA	\$ 675,000	\$ 305,000
Highlands Ranch	\$ 310,000	\$ (35,000)	\$ 229,900	\$ 30,900	\$ 325,000	\$ (45,000)
Larkspur	\$ 625,000	\$ 280,000	\$ 273,000	\$ 74,000	\$ 630,000	\$ 260,000
Lone tree	\$ 533,450	\$ 188,450	\$ 319,900	\$ 120,900	\$ 700,000	\$ 330,000
Louviers	\$ 251,950	\$ (93,050)	\$ -	NA	\$ 251,950	\$ (118,050)
Parker	\$ 320,000	\$ (25,000)	\$ 167,000	\$ (32,000)	\$ 346,390	\$ (23,610)
Roxborough	\$ 339,950	\$ (5,050)	\$ 250,000	\$ 51,000	\$ 347,000	\$ (23,000)
Sedalia	\$ 680,000	\$ 335,000	\$ -	NA	\$ 680,000	\$ 310,000
Balance of Douglas County	\$ 592,500	\$ 247,500	\$ 185,250	\$ (13,750)	\$ 1,499,000	\$ 1,129,000

Note: The municipalities were provided by the MLS. There were 2,564 listings that had mailing addresses as Littleton, but were actually located within Highlands Ranch or Roxborough. These were relabeled accordingly. The Balance of Douglas County includes the areas labeled as Centennial, Denver, Elbert, Elizabeth, Englewood, and Littleton by the MLS.

Source: BBC Research & Consulting.

Sedalia, Franktown, and Larkspur had the highest overall median home prices; all were over \$600,000. Sedalia's for-sale housing stock (all of the units were single family homes) had a median price that exceeded the County's by \$335,000. It should be noted that these median values represent homes on the market in 2007, and are not meant to imply that the market overall is extremely high income. In these small communities, there are lower income neighborhoods, generally in the core parts of the communities. The high median prices are reflective of higher priced homes that have recently been developed and are for sale.

Louviers, Highlands Ranch, Parker, and Roxborough are the County's provider of more affordable housing options when comparing median prices to the County's median overall.

However, when looking at the total volume of affordable units, Parker and Castle Rock provide Douglas County with a substantial portion of the County's affordable housing options. Of the single family units affordable to households earning 80 percent or less of the AMI (\$57,440) in the eleven communities in Douglas County, 79 percent of those units were located in Parker and Castle Rock.

When comparing the proportion of single family units that are affordable for households earning 80 percent or less of the AMI for each municipality; Castle Rock had the largest number (124), but this accounted for only three percent of the single family homes for sale. Of the municipalities that had multifamily units available for sale, Parker provided the most homes (410) affordable to households earning 80 percent or less than the AMI, which was 68 percent of the multifamily homes for sale.

Exhibit IV.D-10 presents the location by municipality of affordable units. The left-side columns, “Number of Units,” show the number of affordable units at each AMI level in the communities. The percentage next to the “Number of Units” shows what percent of the market these affordable units represent. For example, in Douglas County overall, there were 127 multifamily units for sale in 2007 and affordable to households earning 50 percent of the AMI. These units represent seven percent of multifamily units for sale in Douglas County in 2007.

**Exhibit IV.D-10.
Location of Multifamily
and Single Family
Affordable Units, Douglas
County, 2007**

Source:
BBC Research & Consulting.

Multifamily Units	Affordable to 50% AMI		Affordable to 80% AMI	
	Number of Units	Percent of Total Units	Number of Units	Percent of Total Units
Douglas County	127	7%	786	46%
Castle Rock	46	10%	227	51%
Deckers	-	-	-	-
Franktown	-	-	-	-
Highlands Ranch	14	3%	128	26%
Larkspur	0	0%	0	0%
Lone tree	0	0%	5	4%
Louviers	-	-	-	-
Parker	67	11%	410	68%
Roxborough	0	0%	2	14%
Sedalia	-	-	-	-
Balance of Douglas County	0	0%	14	58%

Single Family Units	Affordable to 50% AMI		Affordable to 80% AMI	
	Number of Units	Percent of Total Units	Number of Units	Percent of Total Units
Douglas County	11	0%	275	2%
Castle Rock	1	0%	124	3%
Deckers	0	0%	1	14%
Franktown	0	0%	0	0%
Highlands Ranch	0	0%	24	1%
Larkspur	1	0%	2	1%
Lone tree	0	0%	0	0%
Louviers	0	0%	1	7%
Parker	3	0%	78	2%
Roxborough	2	0%	36	6%
Sedalia	4	3%	9	6%
Balance of Douglas County	0	0%	0	0%

SECTION V.D.—DOUGLAS COUNTY

Community Input

This section discusses Douglas County’s housing needs, as identified by citizens, public service agencies, and government officials through stakeholder consultation, public meetings, and a resident telephone housing survey.

As explained in the introduction, Arapahoe County and Douglas County conducted a consultation and citizen participation process to elicit input regarding housing needs. That process consisted of three major parts:

- Five hundred residents of Arapahoe County and Douglas County completed a telephone survey about their current housing situation and needs and their perceptions of need in their community;
- Public meetings including three community meetings and three focus group meetings were held at various sites in Arapahoe and Douglas Counties during the month of November 2008; and
- Interviews with key persons who are knowledgeable about the housing needs in the Counties were conducted.

The following section reports the results from these three community input processes.

Resident Telephone Survey

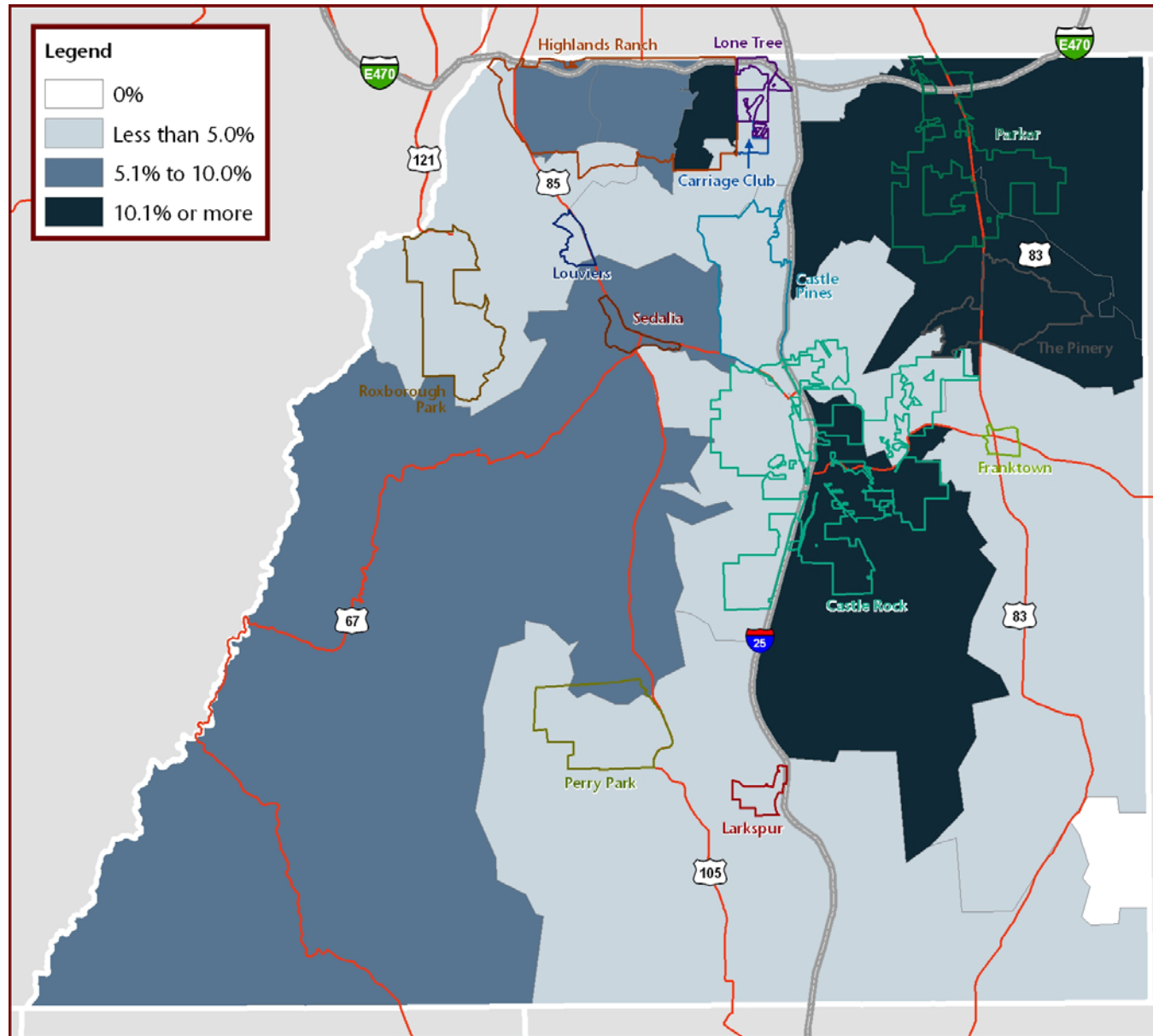
In September of 2008, Davis Research, an independent research firm, conducted a survey on housing needs in Arapahoe and Douglas Counties. Surveys were conducted with 250 Arapahoe County residents and 250 Douglas County residents via a telephone interview. Forty-one (eight percent) of the interviews were conducted in Spanish: 19 of the Spanish interviews were from Arapahoe County and 22 were from Douglas County. The criterion used to screen potential interviewees was a household income qualifying question, adult status (age of 18 or older) and Arapahoe County or Douglas County residency. Respondents living in Arapahoe County had to earn a household income less than \$72,000, which is approximately the HUD area median income, and households living in Douglas County had to earn less than \$86,000, which is approximately 120 percent of the AMI¹.

The following findings from the survey are presented for Douglas County.

Geographic distribution. Exhibit V.D-1 below shows the distribution of survey respondents by zip code. The highest representation was zip code 80134 in Parker where 17 percent of the respondents lived. For all other zip codes shaded, the percentage of respondents ranged from less than one to 15 percent.

¹ The income targets are different because Douglas is a higher income county.

Exhibit V.D-1.
Percent of Resident Telephone Survey Respondents by Zip Code, Douglas County



Source: Arapahoe and Douglas Counties Resident Survey, August and September 2008.

Household characteristics. The following describes some characteristics of the survey respondents and their households from Douglas County.

Residence. Slightly more than one fourth of survey respondents live in Castle Rock, another fourth live in Parker and another 24 percent live in Highlands Ranch. Sedalia had the next highest number of survey respondents both at 15 percent.

Over three fourths (76 percent) of the respondent households were owners and the remaining one-fourth rented.

Age. Survey respondents had to be at least 18 years of age to participate in the survey. Respondents were asked the age of the primary householder living in their household. Ages ranged from 23 to 99 years. The average age of the primary householder reported by the survey respondents was 52.3 years. The average age of the owner householder was 53.7 years, while the average age of the renter householder was younger at 48 years. Just over one-third of the owners were ages 65 years or more.

Exhibit V.D-2.
Age of Primary Householder by Tenure, Douglas County

Source:
Arapahoe and Douglas Counties Resident Survey, August and September 2008.

	Rent	Own
18 to 24	7%	1%
25 to 34	19%	13%
35 to 44	11%	15%
45 to 54	18%	16%
55 to 64	23%	19%
65 or more	21%	35%
Refused/Don't Know	2%	1%
Total	100%	100%

Approximately half of the primary householders of the survey were ages 55 years and over. This is a higher percentage when compared to the same age group for the County overall. The Colorado demographer reported that, in Douglas County, 20 percent of the population ages 18 years and older were 55 years and over. Therefore, the survey may have oversampled older households when compared to the County overall.

Household size. Survey respondents also provided the number of members in their households, including themselves. Approximately 40 percent of respondents reported that two adults with no children lived in their household, the most prevalent number of household types, followed by one person households with no children (22 percent). In regards to children, the majority (69 percent) of survey respondents lived with no children. Most households with children were two parent households with one or two children, 16 percent of all households. An estimated five percent of the respondent households were single parent households.

In addition, 10 percent of survey respondents reported that someone in their household (other than a student) lives there because they cannot afford to live on their own.

Race/Ethnicity. The majority of survey respondents (87 percent) responded that they were White, while four percent responded that they were Hispanic. Asians comprised three percent of survey respondents and African Americans were two percent of the respondents. The 2007 American Community Survey (ACS) reported that 91 percent of Douglas County residents were White and seven percent were Hispanic. However, the U.S. Census considers Hispanic an ethnicity, not a race. Consequently, a Census respondent's Hispanic/Non-Hispanic status is obtained in a separate question. Therefore, the results of our survey and of Census are not directly comparable. Exhibit V.D-3 below displays the racial and ethnic distribution of survey respondents in Douglas County.

**Exhibit V.D-3.
Race/Ethnicity, Douglas County**

Source:
Arapahoe and Douglas Counties Resident Survey, August and September 2008.

	Survey Repondents
African American	2%
Asian/Pacific Islander	3%
Hispanic/Chicano/Latino	4%
White	87%
Multi-racial	1%
Refused/Don't Know	3%
Total	100%

Disability. Fifteen percent of survey respondents answered “yes” when asked if they or any member of their household had a disability. This is higher than the results of the 2007 ACS, which reported seven percent of Douglas County residents had at least one type of disability. However, the two do not compare exactly since the survey reports the number of households with any member having a disability, while the ACS reports the total number of persons with a disability. Twenty-six percent of renter households have at least one resident with a disability, while only 12 percent of all owner households have a disabled resident.

Household income. One of the criterion used to screen potential interviewees was a household income qualifying question. Respondents living in Douglas County had to earn a household income less than \$86,000, which is approximately 120 percent of the HUD area median income.

Of the 250 survey respondents, 34 (or 13 percent) refused to answer the question about their household income. Of the respondents who did answer this question, 44 percent earned between \$35,000 and \$68,000. Exhibit V.D-4 below displays the income distribution of survey respondents.

**Exhibit V.D-4.
Household Income, Douglas County**

Source:
Arapahoe and Douglas Counties Resident Survey, August and September 2008.

	Survey Repondents
Less than \$10,000	2%
\$10,000 to less than \$20,000	6%
\$20,000 to less than \$35,000	14%
\$35,000 to less than \$57,000	19%
\$57,000 to less than \$68,000	19%
\$68,000 to less than \$72,000	11%
\$72,000 to less than \$86,000	16%
Refused/Don't Know	13%
Total	100%

Employment and commute. Sixty percent of Douglas County survey respondents reported that at least one member or more of their household worked a full-time job, while 40 percent reported that no one in their household worked a full-time job. Twenty-one percent responded one or more persons in their household work part-time. Of those respondents who did not work a full-time job, 65 percent (approximately 26 percent of all respondents) were 65 years and over. It is not certain from the data how many respondents worked more than one job.

The two most common occupations among survey respondent households was that of Marketing and Sales and a Professional Specialty (lawyer, architect, etc.). Service Representative (customer service rep, cashier, etc.) and Administrative Support were the next most common occupations.

Respondents were also asked about their commute time to work. Of the responses to this question, almost half (48 percent) reported their commute to be under 20 minutes and an additional 18 percent said the commute was 21 to 30 minutes long. Twenty-five percent experienced a commute of a half an hour or longer and nine percent of the responses had no commute since they worked at home.

A private car or truck is the most common mode of transportation to work; approximately 84 percent use this mode. Public transit at four percent was the second most common way to get to work.

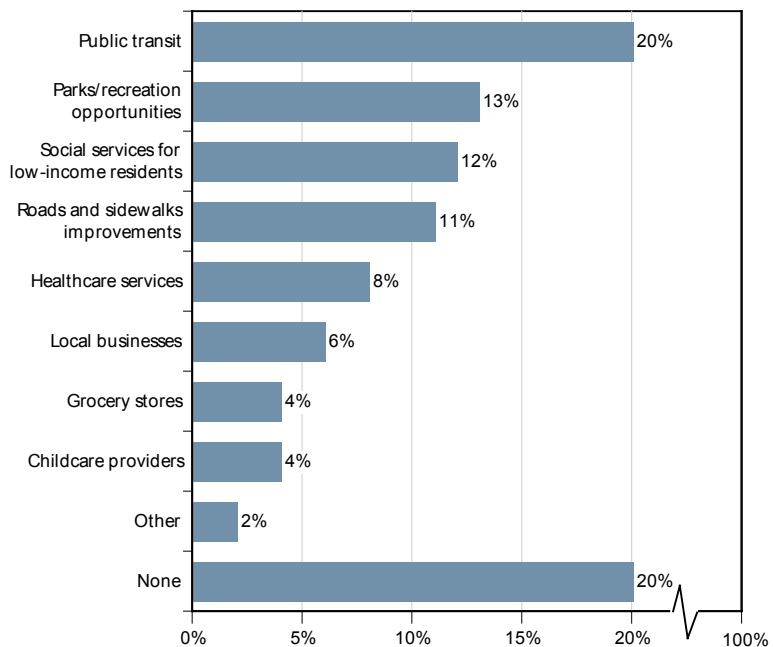
Community needs. The first questions asked of the survey respondents included questions about housing and community needs in their neighborhood/community.

Services. When asked about adding more services to their neighborhood, 20 percent of the responses were for more public transit and 20 percent answered no additional services are needed. An additional 13 percent of the responses were for more parks and recreation opportunities followed by social services for low-income residents (12 percent) and 11 percent for road and sidewalk improvements. Exhibit V.D-5 displays the responses to this survey question.

Exhibit V.D-5.
If you could add more of the following services to your neighborhood, what would you choose?, Douglas County

Note:
Respondents were able to provide more than one response. N = 343.

Source:
Arapahoe and Douglas Counties Resident Survey, August and September 2008.

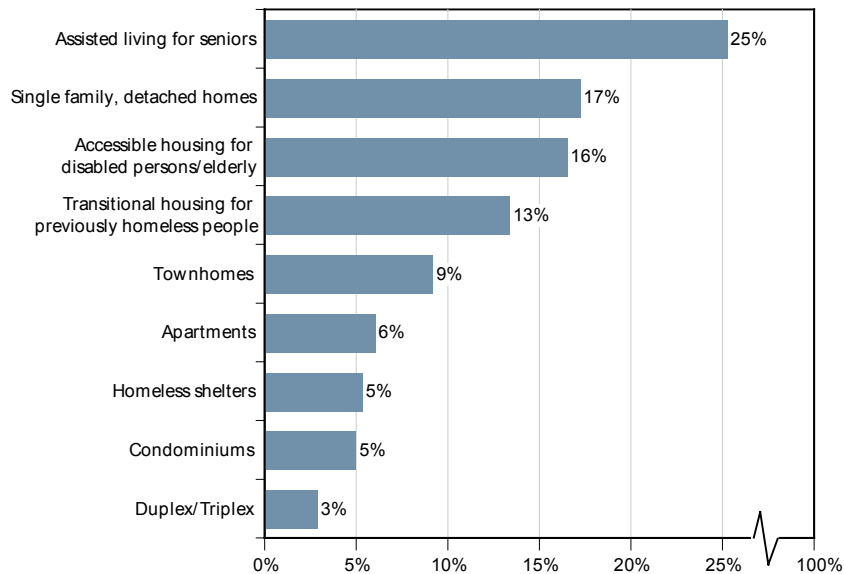


Needed housing types. Respondents were also asked what types of housing are most needed in their community. Assisted living for seniors received the highest number of responses (25 percent), this was followed by single family, detached homes (17 percent), and accessible housing for disabled/elderly persons (16 percent). The need for transitional housing for previously homeless people (including victims of domestic violence) also received a high number of responses (13 percent).

Exhibit V.D-6.
In your opinion,
which of the following
housing types are
most needed in your
community?,
Douglas County

Note:
Respondents were able to provide
more than one response. N = 286.

Source:
Arapahoe and Douglas Counties Resident
Survey, August and
September 2008.



The needed housing types were also cross-referenced by the age of the primary householder of the survey respondents. Although the survey respondents are more likely to be ages 55 years and over when compared to County population overall, the need for assisted living for seniors was still a top need for all age cohorts except for the 35 to 44 year age cohort. Even then, the need for assisted living for seniors was tied for second behind the need for single family homes. Exhibit V.D-7 shows the top housing type needed for each age cohort along with the percent of responses the top need received in each age cohort.

Exhibit V.D-7.
Top Housing Type Needed
by Age of Primary
Householder, Douglas
County

Source:
Arapahoe and Douglas Counties Resident
Survey, August and September 2008.

Age Cohort	Top Housing Type Needed	Percent of Each Age Cohort
18 to 24	Assisted living for seniors	38%
25 to 34	Assisted living for seniors	16%
	Single family, detached homes	16%
	Townhomes	16%
35 to 44	Single family, detached homes	22%
45 to 54	Assisted living for seniors	26%
55 to 64	Assisted living for seniors	27%
65 or more	Assisted living for seniors	32%
All Respondents	Assisted living for seniors	25%

Needed social services. When asked about the most needed social services in their communities, the most common response was for senior services (28 percent). This was followed by the need emergency rent/mortgage and utility assistance services (16 percent) and youth services (15 percent).

Exhibit V.D-8.
Which of the following social services do you feel is most needed in your community?, Douglas County

Note:
N = 205.

Source:
Arapahoe and Douglas Counties Resident Survey, August and September 2008.

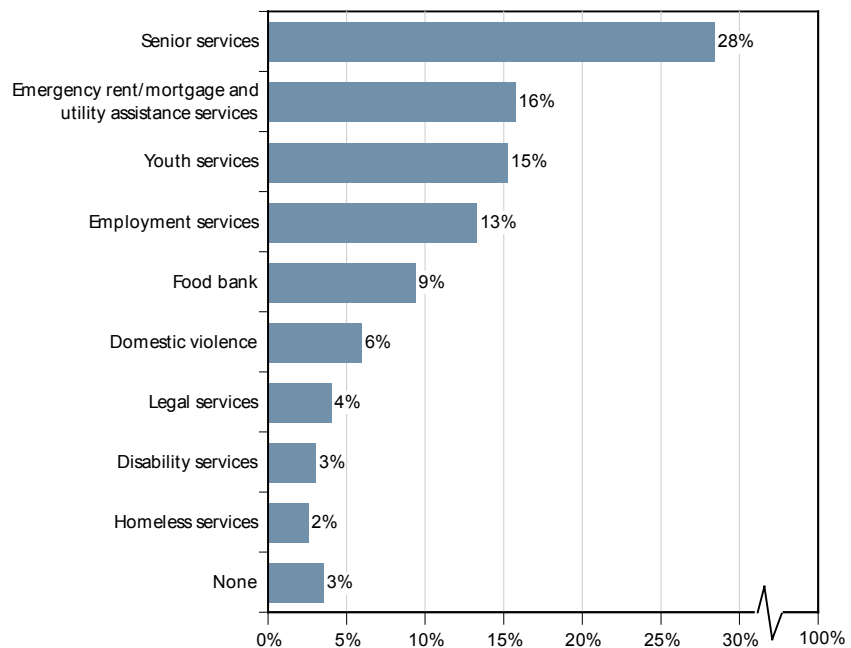


Exhibit V.D-9 shows the top social services needed for each age cohort along with the percent of responses the top need received in each age cohort. Senior services was the top need for respondents 45 years and older, while younger respondents favored youth services, employment services, and emergency rent, mortgage, and utility assistance services.

Exhibit V.D-9.
Top Social Services Needed by Age of Primary Householder, Douglas County

Source:
Arapahoe and Douglas Counties Resident Survey, August and September 2008.

Age Cohort	Top Social Service Needed	Percent of Each Age Cohort
18 to 24	Employment services	33%
	Youth services	33%
25 to 34	Emergency rent/mortgage and utility assistance services	39%
35 to 44	Youth services	34%
45 to 54	Senior services	27%
55 to 64	Senior services	36%
65 or more	Senior services	42%
All Respondents	Senior services	28%

Housing questions. This section reports the survey respondents' answers to questions about their housing situation, satisfaction with their current housing and their ability to pay their rent or mortgage.

Housing tenure and type. Sixty-three percent of respondents lived in a single family, detached home; 11 percent in a duplex/triplex or townhome; 22 percent in a condominium or apartment building; and the remaining four percent in a mobile home/trailer or a manufactured house on permanent foundation.

Of the 250 Douglas County respondents, just over three-fourths owned their homes and less than one-fourth were renter households. The remaining one percent either did not rent nor own, or lived with family or friends. ACS reports that 82 percent of Douglas County residents own their home while the remaining 18 percent rent. Therefore, the survey samples slightly more renters than the proportion of the County overall. This is probably due to the survey targeting households that earn an income of \$86,000 or less, with the belief that renters typically earn lower incomes when compared to owners.

About 32 percent of renters and 73 percent of owners lived in single family, detached homes. Sixty percent of renters lived in an apartment/condominium building, while 11 percent of owners resided in similar multifamily type buildings.

Housing satisfaction. Eighty-five percent of survey respondents (82 percent for renters and 85 percent for owners) said that their home was a comfortable size for the number of people who live there. Renters responded more often than owners that their homes were too small or very crowded, while owners responded more often than renters that their homes were too big.

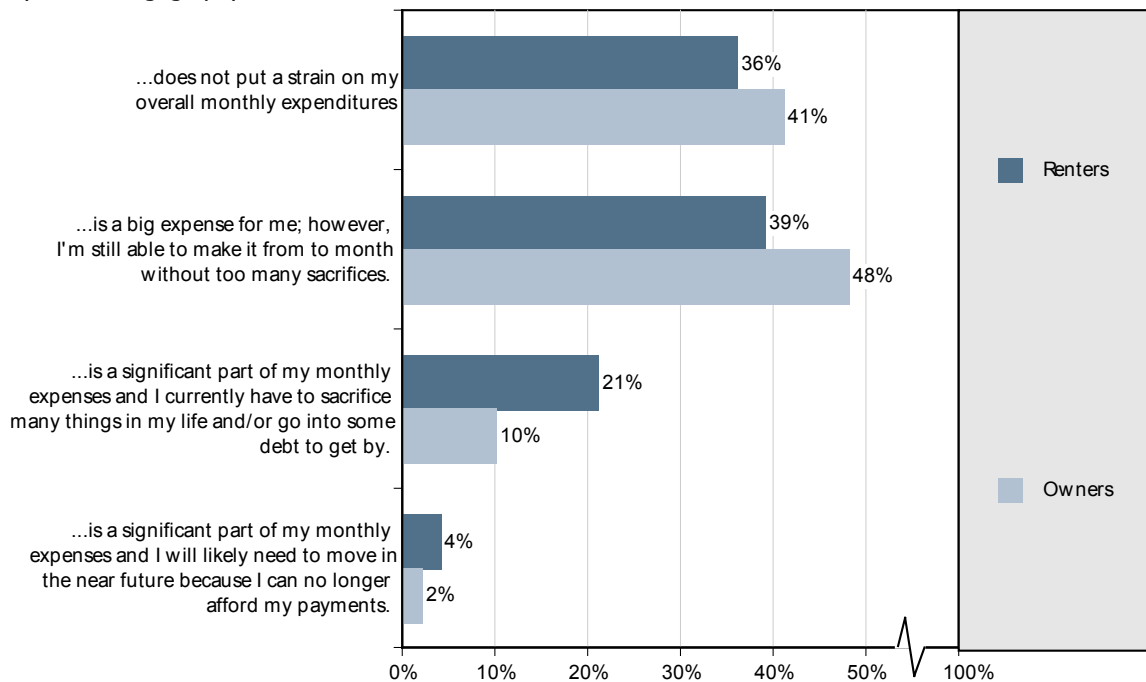
Overall, more than (59 percent) of the survey respondents were *very satisfied* with their current home and an additional 37 percent were *satisfied*. Both owners and renters are generally *satisfied* with their homes, with only four percent of respondents *dissatisfied*. When asked why they are not satisfied with their homes, respondents mentioned their homes were too small and their homes poor condition most often.

Rent or mortgage payments. Respondents were asked to consider four different housing scenarios concerning how their monthly mortgage or rental payment affects their overall monthly expenditures and then choose which scenario best describes their situations. Eighteen percent of the respondents home was paid for and/or they did not have a mortgage or rent payment.

Renters are more likely than owners to feel that their house payment is more of a *significant* part of their monthly expenses. Renters may have more difficulty affording their housing costs because they have lower incomes overall than owners, and, in high cost communities with new housing stock like Douglas County, their options for affordable units are more limited. Twenty-five percent of renters said their rent is a *significant* part of their monthly expenses, compared to 12 percent of owners. The following exhibit displays the four scenarios and the responses of the renters and owners who do pay a rent or mortgage.

Exhibit V.D-10.
Monthly Mortgage or Rent and Monthly Expenditures, Douglas County

My rent/mortgage payment...



Source: Arapahoe and Douglas Counties Resident Survey, August and September 2008.

Risk of homelessness. Respondents were also asked if there was anyone in their household (other than a student) living with them because they cannot afford to live on their own. Ten percent responded yes they have someone living with them. Almost all (92 percent) of the people living with the respondents were family members. Almost one third of the people living with the respondents (32 percent) had lived with them for under one year, while an additional 24 percent have lived with them for one to two years, and the remaining 44 percent was more than two years. When asked how long they plan to live with them, over half responded they were not sure and one fourth responded less than one year. The top reasons they came to be living with the respondents included they could not afford their place (25 percent), could not find a place to afford (18 percent) and became sick and could not work (14 percent).

When asked if they or others in their household ever had to live with family or friends, in their car and/or in a motel because they did not have anywhere else to go, 14 percent responded they had. The most common reason survey respondents had to find help with housing was they could not afford the place they were currently living in (35 percent), followed by they got divorced or separated (24 percent). Another 18 percent needed help because they could not find a place to afford.

Two percent of respondents had tried to get housing assistance and could not get it, while four percent had received help with a housing need from a government and/or non-profit organization. Such help included general government housing assistance, Section 8 housing vouchers, food stamps and help from their church. Renters were more likely to have utilized housing assistance compared to owners. Nine percent of renters have received housing assistance compared to three percent of owners.

Homeowner questions. Survey respondents reported that, of those who owned their home, the majority (53 percent) lived in a house that was approximately valued at \$250,000 or higher. Forty percent of owners lived in homes valued at less than \$200,000. The average home value was approximately \$285,000.

Owners were then asked if there are needed repairs that they have not made to their house, and, if there were, what repairs were most needed. Approximately 20 percent of owners responded there were needed repairs for their house, while the remaining respondents did not report any needed repairs. Exhibit V.D-11 below displays the most-needed repairs reported by owners.

Exhibit V.D-11.
Owners, what repairs/
improvements do you need to
make the most?, Douglas County

Note:
Respondents were able to provide more than one response.

Source:
Arapahoe and Douglas Counties Resident Survey, August
and September 2008.

Survey Reponses		Survey Reponses	
Windows/doors	14%	Yard work	7%
Painting	13%	Accessibility modifications	5%
Roofing	11%	Porch/deck/patio	5%
Flooring	9%	Other	18%
Siding	9%	Refused/Don't Know	2%
Plumbing	7%	Total	100%

As shown above, window and door improvements were the most needed repairs to their homes. Painting, roofing, flooring, and siding were also frequently chosen. Repairs in the “other” category included bathroom, foundation, appliances, air conditioning, carpeting, and electric improvements.

Owners were then asked why they had not made the needed repairs. The most common response (68 percent) was they could not afford the repairs. Few owners felt the needed repairs listed above were so serious that they made their home unlivable. Those “needed” repairs included window/door and sidewalk improvements.

Foreclosure concerns. Respondents were also asked if they had any concern about their house going into foreclosure. Ninety-six percent of the owners were not concerned with foreclosure. Two percent responded they were concerned about foreclosure; another two percent said they were unsure if they had concerns.

Only one owner was unsure if they had skipped one or more mortgage payments. Reasons for skipping a payment included they lost their job, were going through a divorce or separation and health care costs.

Renter questions. Renter respondents had an overall average monthly rent and utility payment of \$1,132, which is approximately \$70 higher than 2007 Denver Metro Area Multifamily Vacancy and Rent Survey average rent of \$1,063 for Douglas County.

Eighty-nine percent of survey respondents who were renters reported that their landlords made repairs promptly when needed. When asked if there were needed repairs to their rental unit, 72 percent of the renters said no repairs were currently needed. Exhibit V.D-12 shows the most needed repairs to rental units in Douglas County. The most common needed repair was plumbing repairs followed by window and/or door repairs.

Exhibit V.D-12.
If your rental unit is in
need of repairs, what
repairs are needed?,
Douglas County

Note:

Respondents were able to provide more than one response.

Source:

Arapahoe and Douglas Counties Resident Survey, August and September 2008.

	Survey Responses		Survey Responses
No repairs needed	63.1%	Accessibility modifications	1.5%
Plumbing	7.7%	Porch/deck/patio	1.5%
Windows/doors	7.7%	Carpeting	1.5%
Painting	4.6%	Other	1.5%
Appliances	4.6%	Refused/Don't Know	1.5%
Electric	3.1%	Total	100%
Roofing	1.5%		

Only one renter responded that some of the repairs were so serious that they impact their health and safety and one renter was unsure if the repairs were serious. To make their home healthy and safe repairs were needed to be done on the appliances.

Renters were asked if they would rather continue renting or own a house, condominium, or townhome; 44 percent of renters responded they would prefer to own a house; 14 percent would prefer to own a condominium, townhome, or mobile home; and 35 percent responded they would like to continue renting. The remaining seven percent were not sure or had refused to answer the question. Of those respondents who were ages 65 years and over, 58 percent would like to continue renting, and of the respondents' ages 35 to 54 years, 63 percent would like to own a home.

The renters who would like to own their home were then asked what were their current barriers to owning a home. The most common response was they did not have enough money for a down payment (40 percent), followed by they cannot qualify for a mortgage (19 percent). Exhibit V.D-13 displays their responses.

Exhibit V.D-13.
Renters, what are some
of your current barriers to
owning a home,
condo/townhome or
mobile home?, Douglas
County

Note:

Respondents were able to provide more than one response.

Source:

Arapahoe and Douglas Counties Resident Survey, August and September 2008.

	Survey Responses
Do not have enough money for a down payment	38%
Cannot afford monthly mortgage payments	18%
Desired housing type not available (single family home, mobile home, condo/townhome)	9%
Uncertain future or may leave area	9%
Cannot qualify for a mortgage	7%
No houses in my price range for sale	7%
Bad credit	4%
Unfamiliar with/intimidated by the process of buying a home	2%
Other	2%
Refused/Don't Know	4%
Total	100%

Community Meetings, Focus Groups and Key Person Interviews

As part of the housing needs study for Arapahoe and Douglas Counties, BBC conducted a series of community meetings, focus groups, and key person interviews with individuals from organizations and the community representing a diverse set of interests. The community meetings were open to the public and were held in three different sites in Arapahoe and Douglas Counties. Focus group attendees fell into one of the following categories: Douglas County residents; Public Housing residents residing in Arapahoe County; and Community Development staff, affordable housing developers, and affordable housing providers. Key person interviews were conducted of County and city staff within Arapahoe and Douglas Counties, the public housing authorities, and others involved with housing and community development in both Counties.

Exhibit V.D-14 displays the organizations represented during the focus groups and interview process.

Exhibit V.D-14. Organizations Participating in Focus Groups and Key Person Interviews

Organization	Organization (cont'd)
Arapahoe County	Developmental Pathways
Arapahoe/Douglas Mental Health Network	Douglas County
Brothers Redevelopment	Douglas County Housing Partnership
Catholic Charities	Englewood Housing Authority
City of Castle Rock	Family Tree, Inc. / House of Hope
City of Centennial	Habitat for Humanity of Metro Denver
City of Englewood	Interfaith Community Services
City of Greenwood Village	Littleton Housing Authority
City of Littleton	Management Service, LLC
City of Lone Tree	Mercy Housing Colorado
City of Sheridan	Metro Brokers, A Step Above
Colorado Center for the Blind	Rebuilding Together
Colorado Housing Assistance Corporation	Rocky Mountain Housing Development Corporation
Community Housing Development Association	Town of Parker
Community Housing Services Agency	

Source: BBC Research & Consulting.

Group discussions and interviews primarily focused on identifying housing needs of the community, barriers to affordable housing, location of affordable housing, current programs and procedures in place to provide affordable housing, and recommendations for providing affordable housing to Arapahoe and Douglas County residents. The following section outlines the input BBC received from participants with regards to these topics.

Overall needs identified. Overall, the following were identified as general needs within Arapahoe and Douglas Counties:

- Affordable housing for the essential workforce (including teachers, police officers, etc.), especially in Douglas County.
- Affordable rental units are difficult to find in Douglas County.
- All housing authorities in both Counties have wait lists for their Section 8 vouchers and public housing units. Wait lists are long for seniors that need affordable housing in both Counties.
- Assistance for day care and affordable childcare options. Affordable childcare options for infants and after school programs. This also includes a need to assist disabled youth with recreational activities and other supportive services.
- Community development needs include a need for public transportation. Routes are being cut by RTD. The circulator bus should be expanded north and south. Public transportation is an ongoing issue in Douglas County. People living in Douglas County need help getting to programs in Arapahoe County.
- Difficulty finding affordable housing in Arapahoe and Douglas Counties for persons with mental health disabilities.
- Early foreclosure intervention helps households avoid foreclosure.
- Habitat for Humanity recently had 600 households interested in 30 available units. The demand is from young families and immigrant households, typically earning less than 50 percent of the area median income.
- Infrastructure in the older parts of Arapahoe County is aging and in need of upgrades and repairs.
- Permanent affordable housing in both Counties is needed.
- Rent and mortgage assistance is needed to help prevent homelessness in Arapahoe County. Non-profits get more calls at the beginning of the month for assistance; therefore, the assistance is gone right away. They are not sure what happens to those who are unable to get the requested assistance.
- Transitional housing for single parents that includes childcare and job assistance is needed. Wait lists are long. For those in transitional housing, once the program ends they have difficulty finding housing in the area and may have to move to Denver.
- There is a lack of funding for economic development, such as job training for people past high school age.

Community meetings and focus groups. Each meeting included a summary of the purpose of the Housing Needs Assessment study and the Consolidated Plan, brief demographic overview of the Counties, telephone survey results, and exercises with feedback opportunities. The exercises were designed to get the meeting participants to brainstorm community and housing needs and strategies they believe the Counties should use to address the needs. In addition, a worksheet was distributed during the meetings asking the participants to prioritize activities and allocate the funding of potential activities that could be undertaken with the HUD grants.

An estimated 55 participants attended the three community meetings and two focus groups held during November 2008 in Highlands Ranch (HR²), Parker (C/P³), Littleton (E/L/S⁴), Castle Rock (FGCR⁵) and Englewood (FGEHA⁶). The three community meetings were open to the public and the two focus group meetings targeted Douglas County residents and Public Housing residents residing in Arapahoe County.

The following is a summary of the top needs discussed at these meetings.

Needed services:

- Childcare—Assistance for day care and affordable childcare options. Affordable childcare options for infants and after school programs. (HR, FGCR, FGEHA)
- Disabled—Accessible sidewalks, especially close to bus stops. (FGCR)
- Disabled—Therapeutic recreational services (such as day activities) for the disabled population in Douglas County. There is also a need for buildings, operating assistance, and scholarships. (C/P)
- Economic Development—Employment opportunities that include good businesses and good incomes. (FGCR)
- Health Care—People are unable to afford health care. People need a place they can go to get basic health care services they can afford. (FGEHA)
- Hotels, Mid-Range—There are no midrange hotels located in the Littleton and Englewood area. (FGEHA)
- Low-Income—Social services for low-income residents such as counseling and food assistance (HR, FGEHA)
- Public Transportation—Public transit, especially in Douglas County for those who need it. Extend transit routes to include areas outside of Parker in the unincorporated part of the County. The Castle Rock shuttle should cover more area. More practical and direct routes with more parking close to shuttle/bus stops. Seniors also need more public transit options. (HR, C/P, FGCR)

² HR = Highlands Ranch

³ C/P = Centennial and Parker

⁴ E/L/S = Englewood, Littleton, and Sheridan

⁵ FGCR = Focus group in Castle Rock

⁶ FGEHA = Focus group of Englewood Housing Authority residents.

- Public Transportation—Transportation, including for special needs populations. Routes were recently cut. They would like to see a more regional loop route included. (E/L/S, FGEHA)
- Seniors—Seniors need housing, supportive services and day care. (E/L/S)
- Youth—After school care for middle school, and high school aged youth that includes transportation. (E/L/S)

Needed social services:

- Disabled—Services for people with disabilities living in Douglas County. Waiting lists are too long. (C/P)
- Economic Development—Business start up assistance. (E/L/S)
- Employment—More places to go to receive employment services, including job training, computer/internet use, and counseling. (FGEHA)
- Family—Family services that include after school and pre-school care. (E/L/S)
- Food—Food banks are needed in Highlands Ranch. (HR)
- Food—Food stamps and food banks. (E/L/S, FGEHA)
- Foreclosures—Foreclosure counseling that includes education and outreach. The foreclosure programs are there, it is now important to get the word out. Suggestions on how to get the word out include: using the NEW list, market through lenders for early intervention, and promote one-on-one counseling. (E/L/S)
- Health Care—Health care services that are affordable. (C/P, FGEHA)
- Homeownership—Homeownership education. (E/L/S)
- Immigrant services—A place that provides a contact with a clearinghouse of information. Needed services include ESL classes, legal counseling, and business start up assistance. (E/L/S)
- Legal Services—Legal services that would include help for persons experiencing domestic violence, general fact sheets, and a list of resources people can use. (HR)
- Rent/Mortgage and Utility Assistance—There is a need for emergency rent/mortgage and utility assistance services. However, they want to help stabilize their situation instead of handing out assistance repeatedly. (HR, FGEHA)
- Seniors—Many seniors rely on Social Security to live on and, therefore, cannot afford their housing and utility expenses. (FGCR)
- Seniors—Seniors may have to go back to work, so it would be helpful to link senior services with employment services. (FGCR)
- Youth—Trade schools for youth, youth educational opportunities, jobs/internships. (FGCR)
- Youth—There are many latch key children in Highlands Ranch who need something to do. Littleton has an educational need along with other supportive services. Services for disabled youth that include scholarship opportunities. (HR, E/L/S)

Needed housing types:

- Affordable—Affordable options that allow a household to downsize and with low maintenance. Arvada requires all newly built homes to be “visitable.” (E/L/S) The official definition of visitable is: in a housing unit, at least one entrance is at grade (no steps) and approached by an accessible route such as a sidewalk, and the entrance door and all interior passage doors are at least two feet, 10 inches wide, offering 32 inches of clear passage space.
- All Types—Housing options for each stage of life. All types of housing that reflect the demographics of the community, including affordable options. Medium density options with services close by. It could include granny flats and townhomes. (FGCR)
- Assisted Living—Affordable assisted living for seniors and persons with disabilities. (FGEHA)
- Disabled—Affordable housing and services (job training, education, etc.) for person with a mental health disabilities. (E/L/S)
- Disabled—All types of disabled housing for all ages. Housing that is affordable, accessible with various services available. (E/L/S)
- Disabled—Group homes for persons with disabilities in Douglas County. (C/P)
- Duplex/Townhomes—Smaller type homes such as duplexes, triplexes, etc., in Douglas County. These would work well for single parents. (HR, C/P, FGCR)
- Patio/Ranch Homes—Patio/ranch style homes that have no stairs. This would be good for people aging in their homes and persons with disabilities. (FGCR)
- Project-Based Housing—Project-based housing for households earning less than \$20,000 annually. (FGEHA)
- Rehab—Rehabilitation opportunities. Rehabilitation opportunities for single family homes. (E/L/S, FGEHA)
- Rental Subsidies—Douglas County needs subsidized rental units. (HR)
- Rental Subsidies—Rental subsidies (vouchers) for the very low-income population. Wait lists are very long. (E/L/S)
- Rental Units—Affordable rental units in Douglas County and Arapahoe County. (C/P, FGEHA)
- Seniors—Affordable senior housing for those that may not need housing assistance in Douglas County. (C/P, FGCR)
- Tax Credit—Need more low-income housing tax credit properties. (FGEHA)
- Transitional Housing—Transitional housing for previously homeless people and also for families (including single parents) going through a financial crisis (HR, FGCR)
- Workforce—Affordable workforce (essential workers) housing for rent and ownership. (E/L/S)

Barriers to affordable housing:

- Douglas County has high land costs and high permit fees and impact fees, which increases the cost of housing. (C/P)
- High land cost. (FGEHA)
- It is difficult finding available affordable rentals. (FGEHA)

Who has the greatest housing needs and what type of housing would best meet their needs?

- Younger families are looking for affordable, homeownership opportunities, such as smaller sized homes. (HR, C/P)
- The elderly who live on fixed incomes are looking for smaller sized homes for ownership and rent. (HR, C/P, FGCR)
- The disabled need group homes that offer varying degrees of living assistance and types of homes in Douglas County. (C/P)
- Transitional housing is needed in Douglas County. (HR)
- Single parents need safe, affordable and denser housing (such as duplexes or townhomes) with services close by. Services should include childcare, counseling, and self-sufficiency assistance. In Arvada, there is a development where the homes are built around a center area, and Partners in Housing in Colorado Springs has developed an apartment complex that is safe with services available on site. (HR, FGCR)
- Very low-income renters cannot find affordable units in Arapahoe County and have to move out of the County. This population needs more housing vouchers. (E/L/S, FGEHA)
- Need more senior and disabled housing, preferably through the construction of public housing. Wait lists are long. (FGEHA)

How is housing affecting employment?

- The Douglas County School District has recently lost 88 teachers because the teachers had wanted to be able to live closer to where they work. The teachers were not able to afford housing in Douglas County. It costs the school district \$15,000 to replace each teacher. Employees in the service industries probably live in Arapahoe County or Denver and have to commute to work because they too cannot afford to live in Douglas County. (HR)

How would they spend the federal grant dollars?

Arapahoe County:

- Affordable Housing—Programs designed to facilitate affordable housing (E/L/S, FGEHA)
- Disabled—Disabled and senior assisted living. (FGEHA)
- Economic Development—Employment centers. (E/L/S, FGEHA)
- Education—Magnet after school programs that include technology, art, music, and science along the Littleton and Highlands Ranch border. (E/L/S)
- Foreclosure—Foreclosure prevention (E/L/S)
- General Assistance—General assistance of food stamps, housing vouchers, and employment placement and training. (E/L/S, FGEHA)
- Health Care—Health care services. (FGEHA)
- Homebuyers—Leverage first time buyer with employer (both private and public sectors) assisted housing. Have the realtors promote. (E/L/S)
- Homeless (FGEHA)

- Housing assistance (E/L/S)
- Immigrant Services—Immigrant initiative program (E/L/S)
- Infrastructure (E/L/S)
- Low-income housing. (FGEHA)
- New Construction and Rehab—Leverage funds with Habitat for Humanity and others (e.g., faith based communities, non-profits, etc.) to build new and rehab special needs housing. (E/L/S)
- Public Transportation—Transportation services. (E/L/S, FGEHA)
- Rehab—Rehabilitation of existing homes in the Littleton and Centennial area. (E/L/S)
- Rehab—Rehabilitation and assistance in purchasing apartment and multifamily housing. Bring them up to code and upgrade. (E/L/S)
- Rentals—Need more Project Based housing for seniors and baby boomers that will be seniors soon. (FGEHA)
- Seniors—Senior programs and affordable and accessible housing (E/L/S, FGEHA)
- Seniors—Housing assistance for seniors (E/L/S, FGEHA)
- Special Needs—Special needs housing that is affordable and accessible. Affordable housing for the disabled and mentally ill. (E/L/S)
- Street Maintenance—Enforced snow removal and street sweeping. (FGEHA)
- Tax Credit Properties—More tax credit properties for long-term investment. (FGEHA)
- Youth—Youth services. Services for abused and neglected children. (E/L/S, FGEHA)

Douglas County:

- Homebuyers—Downpayment assistance (HR)
- Housing Authority—Utilize housing authorities to develop creative rental/ownership programs, such as ownership partnerships, low interest loan, land trust, public/private partnerships, etc. (C/P)
- Legal services counseling (HR)
- Misc—Do not attempt to provide housing for every level of income and need. (C/P)
- Public Transportation—Public transportation in the unincorporated part of the County (outside of Parker). (C/P)
- Rehab—Purchase and rehabilitate an apartment building, duplexes, and single family homes for single parent families in Littleton, Centennial, and Highlands Ranch. (HR)
- Seniors—Affordable senior housing in Parker and Castle Rock. (C/P)
- Special Needs—Therapeutic recreation opportunities for persons with disabilities in the Highlands Ranch area. (C/P)
- Special Needs—Special needs housing and group homes in Douglas County. (C/P)
- Workforce—Top priority is for rental and ownership opportunities for the workforce of the County, including the police, teachers, fire fighters, etc. (C/P)

Housing provider focus group meeting and key person interviews. The housing provider focus group discussion was structured similar to the community meetings; however, a targeted population attended this meeting. The housing provider focus group attendees included Community Development staff, affordable housing developers, and affordable housing/special needs non-profits. In addition to this focus group, 25 key persons involved in housing and community development in Arapahoe and Douglas Counties were interviewed to obtain their input on housing needs.

The focus group and interviews provided information about the housing market in general, the top housing and community development needs in the Counties and the needs of special populations. The information from the focus group and interviews are summarized here and has been integrated into the other sections of the needs assessment.

Needs identified:

- Affordable housing for the essential workforce (including teachers, police officers, etc.) in Douglas County. Douglas County School District is soon to be the biggest school district in the state. In 2006 and 2007, 23 percent of the teachers left the district to work closer to where they live or to make more money.
- Affordable rental units are difficult to find in Douglas County.
- All housing authorities in both Counties have wait lists for their Section 8 vouchers and public housing units.
- Community development needs include a need for public transportation. Routes are being cut by RTD. The circulator bus should be expanded north and south. Public transportation is an ongoing issue in Douglas County. People living in Douglas County need help getting to programs in Arapahoe County.
- Difficulty finding affordable housing in Arapahoe and Douglas Counties for persons with mental health disabilities.
- Early foreclosure intervention helps households avoid foreclosure.
- Habitat for Humanity recently had 600 households interested in 30 available units. The demand is from young families and immigrant households, typically earning less than 50 percent of the area median income.
- Infrastructure in the older parts of Arapahoe County is aging and in need of upgrades and repairs.
- Permanent affordable housing in both Counties is needed.
- Rent and mortgage assistance is needed to help prevent homelessness in Arapahoe County. Non-profits get more calls at the beginning of the month for assistance; therefore, the assistance is gone right away. They are not sure what happens to those who are unable to get the requested assistance.
- Transitional housing for single parents that includes childcare and job assistance is needed. Wait lists are long. For those in transitional housing, once the program ends they have difficulty finding housing in the area and may have to move to Denver.
- There is a lack of funding for economic development, such as job training for people past high school age.
- Wait lists are long for seniors that need affordable housing in both Counties.

Barriers to affordable housing. When asked about community barriers to providing housing affordable to residents at lower income levels, the following problems were identified:

- Appraisals of HUD homes are dropping, but bids have gone up. These homes are in need of rehabilitation. The moderate-income households can qualify for a mortgage, but may be afraid to buy because of the real estate market and job security.
- High construction costs and material costs.
- High cost of water and sewer tap fees. Sometimes with infill housing there are no water and sewer lines next to the lots, and it is expensive to replace roads and curb/gutter drainage. The average price of fees (such building permits, impact fees, use tax, etc.) for a single family home in Castle Rock is approximately \$35,000 and \$21,000-25,000 is the water tap fee.
- Households would buy affordable condominiums, but HOA dues are high and HOAs are weak.
- In Douglas County, property taxes are a huge issue because many of the new subdivisions being developed are forming new special districts with high mil levies. Therefore Douglas County is far above the other communities in the metro area.
- Land costs are high in both Arapahoe and Douglas Counties. Even with the current market slow down, prices are not dropping and developers are holding onto land for the moment.
- NIMBYism in Douglas and Arapahoe County, not including Aurora. The community may not understand what affordable housing is actually all about.
- There is little or no land available in Arapahoe County to develop housing, especially for infill development.
- The special Metro Districts add an additional tax on the buyer.
- The Low Income Housing Tax Credit market is at an all time low and is not profitable for investors.

Programs and procedures for affordable housing:

- Castle Rock has an Attainable Housing Fee Reduction ordinance. It states a developer can receive a 25 percent reduction in development impact fee per affordable unit. However, this program has not been utilized yet and developers typically try to get all fees waived. County staff believes the incentive is not big enough to entice developers to develop affordable housing.
- The Douglas County Housing Partnership recently began a Shared Equity Program. DCHP will provide an investment of up to 20 percent of the purchase price (maximum \$50,000) to first time homebuyers that work in Douglas County. They receive funding from the Douglas County Cash-In-Lieu program. The original goal of the cash-in-lieu program was for developers to build affordable housing, but the market made this impossible. Therefore, the developer is now able to pay approximately \$10,000 per unit to satisfy the program requirements.
- Englewood and Sheridan have waived fees for affordable housing development on a case-by-case basis.

- Lone Tree negotiated with the developer of the RidgeGate development to have primary housing for workforce built in a later phase (approximately 5-10 years out) of the development. Housing will be targeted for persons earning \$10-20 per hour⁷.
- Reverse mortgages are an option for seniors if they have equity in their homes. Seniors would like to stay in the homes as long as possible, but the condition of homes makes this difficult. Some family members have asked their parents to take out a reverse mortgage to help them with their financial difficulties.

Solutions to affordable housing. The following solutions were offered to help the Counties provide more affordable housing to its residents:

- Affordable housing providers would like to have an inventory of available land in both Counties.
- In this current market, they are not looking at building. They would like to get help to the providers for things such as downpayment assistance.
- Provide a “fast track” in the affordable housing development process in city and county government.
- Reduced or waived fees (e.g., bridge fees, road fees, planning fees, etc.) would help make the development of affordable housing easier. Brighton does a nice matrix of reduced and waived fees.
- Some private developers may move more quickly when developing housing. They do tax credit developments well, but may not be providing the additional services that are needed.
- Would like to see Inclusionary Zoning outside of Denver, but they are not sure how it would work. Douglas County does have a cash-in-lieu fee that developers can pay in order to increase density.

⁷ These are 2000 wages.

<u>Industry</u>	<u>Average Employment</u>
Retail Trade	16,129
Government	10,614
Accommodation & Food Services	9,817
Construction	9,319
Professional & Technical Services	7,272
Health Care & Social Assistance	5,820
Finance and Insurance	5,787
Information	5,444
Administrative & Waste Services	3,362
Wholesale Trade	3,305
Other Services	2,846
Arts, Entertainment & Recreation	2,662
Management of Companies & Enterprises	2,555
Manufacturing	2,268
Real Estate Rental & Leasing	1,362
Educational Services	1,038
Transportation & Warehousing	848
Mining	279
Agriculture, Forestry, Fishing, Hunting	105
Non-classifiable	17

Average
Annual Salary

\$24,856
\$40,924
\$15,496
\$47,580
\$84,604
\$41,288
\$73,424
\$68,588
\$33,020
\$85,852
\$30,316
\$20,852
\$107,952
\$48,516
\$42,796
\$35,048
\$40,664
\$201,968
\$31,928
\$82,264